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# DRAFT RED HERRING PROSPECTUS


Dated: June 30, 2025

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

100% Book Built Offer

## MILAN GINNING PRESSING LIMITED

CIN: U17119GJ1995PLC025604

REGISTERED OFFICE		CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India		Shah Yashesh Vijaykumar, Company Secretary and Compliance Officer	Email: <a href="mailto:cs@milangroupindia.com">cs@milangroupindia.com</a> Tel: +91 027 5329 9001	<a href="http://www.milangroupindia.com">www.milangroupindia.com</a>
PROMOTER OF OUR COMPANY - MOHAMMADHASNEIN HUSENALI NARSINH, HUSENALI YUSUFALI NARSINH AND MINAJBANU HUSENALI NARSINH				
DETAILS OF THE OFFER				
TYPE	FRESH ISSUE (₹ In Lakhs)	OFS SIZE (₹ In Lakhs)	TOTAL OFFER SIZE (₹ In Lakhs)	ELIGIBILITY
Fresh Issue and Offer for Sale	Upto [●] Equity Shares of face value of ₹ 10 each aggregating Up to ₹ 7,600 lakhs	Upto 3,72,500 Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [●] lakhs	Upto [●] * Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [●] lakhs	This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.
DETAILS OF OFFER FOR SALE, PROMOTER SELLING SHAREHOLDER AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION*				
NAME	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OFFERED / AMOUNT IN ₹		WACA IN ₹ PER EQUITY SHARE*
Mohammadhasnein Husenali Narsinh	Promoter Selling Shareholder	Up to 1,86,250 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs		2.76
Husenali Yusufali Narsinh	Promoter Selling Shareholder	Up to 1,86,250 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs		4.73
*As certified by the Statutory Auditor pursuant to a certificate dated June 25, 2025.				
RISKS IN RELATION TO THE FIRST OFFER				
This being the first public Offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Offer Price as determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Offer Price” on page 122 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.				
GENERAL RISKS				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on page 28 of this Draft Red Herring Prospectus.				
ISSUER'S AND PROMOTER SELLING SHAREHOLDERS 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 Offer, which is material in the context of the Offer, 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. Further, each of the Promoter Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Promoter Selling Shareholders in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Promoter Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.				
LISTING				
The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time.				
BOOK RUNNING LEAD MANAGER				
 (A wholly owned subsidiary of Punjab National Bank) <b>PNB Investment Services Limited</b>		Debanjan Ghatak/Sayalee Gaikwad	Telephone: +91 84352 02707/84220 09515 Email ID: <a href="mailto:Milan@pnbis.com">Milan@pnbis.com</a>	
REGISTRAR TO THE OFFER				
 <b>KFin Technologies Limited</b> (Formerly known as KFin Technologies Private Limited)		M. Murli Krishna	Telephone: +91 40 6716 2222/18 0030 94001 E-mail: <a href="mailto:mgl ipo@kfintech.com">mgl ipo@kfintech.com</a>	
BID/ OFFER PERIOD				
ANCHOR PORTION BIDDING DATE: [●]*		BID/OFFER OPENS ON: [●]		BID/OFFER CLOSSES ON: [●]**^

\*Subject to finalization of the Basis of Allotment

\*The Company in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

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

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

**MILAN GINNING PRESSING LIMITED**

Our Company was originally incorporated under the name 'Milan Ginning Pressing Private Limited', pursuant to a certificate of incorporation dated April 25, 1995 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in their meeting held on April 1, 2024 and by the Shareholders in an Extraordinary General Meeting held on April 12, 2024 and a fresh certificate of incorporation dated June 21, 2024 was issued by the Registrar of Companies, Central Processing Centre. Consequent to such conversion, the name of our Company was changed to 'Milan Ginning Pressing Limited'.

**Registered Office:** Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India;

**Tel:** +91 027 5329 9001;

**E-mail:** [cs@milangroupindia.com](mailto:cs@milangroupindia.com); **Website:** [www.milangroupindia.com](http://www.milangroupindia.com); **Contact Person:** Shah Yashesh Vijaykumar, Company Secretary and Compliance Officer; **CIN:** U17119GJ1995PLC025604

**OUR PROMOTERS - MOHAMMADHASNEIN HUSENALI NARSINH, HUSENALI YUSUFALI NARSINH AND MINAJBANU HUSENALI NARSINH****DETAILS OF THE OFFER**

**INITIAL PUBLIC OFFER OF UPTO [●] \* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF THE COMPANY AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC OFFER") COMPRISING A FRESH ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AGGREGATING TO ₹ 7,600 LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 3,72,500 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH COMPRISING OF 1,86,250 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH BY MOHAMMADHASNEIN HUSENALI NARSINH AND UPTO 1,86,250 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH BY HUSENALI YUSUFALI NARSINH ("THE SELLING SHAREHOLDERS OR "PROMOTER SELLING SHAREHOLDERS") ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS, OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- OFFER 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 BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF THE 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/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED ( BSE SME) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges 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 as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229(2) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, may 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, 5.00% 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 Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one third of such portion was reserved for applicants with Bid cum application size of more than 2 lots and up to such lots equivalent to not more than ₹ 10 lakhs and (b) two-third of such portion was reserved for applicants with Bid cum application size of more than ₹ 10 lakhs provided that the unsubscribed portion in either of such subcategories could have been allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Individual Bidders in accordance with the SEBI ICDR Regulations. All Bidders are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or 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 Offer through the ASBA process. For details, see "Offer Procedure" on page 310 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST OFFER**

This being the Offer of the Issuer, there has been no formal market for the securities of the Issuer. The face value of the equity shares is ₹ 10/-. The Offer Price/Floor Price/Price Band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the Issuer nor regarding the price at which the equity shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on page 28 of this Draft Red Herring Prospectus.

**ISSUER'S AND PROMOTER SELLING SHAREHOLDERS 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 Offer, which is material in the context of the Offer, 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. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Promoter Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from BSE SME for using its name in this offer document for listing our shares on BSE. For the purpose of this Offer, the Designated Stock Exchange will be BSE.

**BOOK RUNNING LEAD MANAGER TO THE OFFER**

(A wholly owned subsidiary of Punjab National Bank)

**REGISTRAR TO THE OFFER****PNB INVESTMENT SERVICES LIMITED**

PNB Pragati Towers, 2<sup>nd</sup> Floor,  
Plot No. C-9, G- Block, BKC, Bandra (E),  
Mumbai – 400 051, Maharashtra, India.

**Telephone:** +91 84352 02707/84220 09515

**Facsimile:** N.A.

**E-mail:** [Milan@pnbisl.com](mailto:Milan@pnbisl.com)

**Investor Grievance ID:** [complaints@pnbisl.com](mailto:complaints@pnbisl.com)

**Website:** [www.pnbisl.com](http://www.pnbisl.com)

**Contact Person:** Debanjan Ghatak/ Sayalee Gaikwad

**SEBI Registration Number:** INM000011617

**CIN:** U65191DL2009GOI187146

**KFin TECHNOLOGIES LIMITED**

*(Formerly known as KFin Technologies Private Limited)*

Selenium, Tower B, Plot No-31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi – 500 032, Telangana, India

**Telephone:** +91 40 6716 2222/18 0030 9400

**Facsimile:** +91 40 6716 1563

**E-mail:** [mgl.ipo@kfintech.com](mailto:mgl.ipo@kfintech.com)

**Investor grievance:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Contact Person:** M. Murli Krishna

**SEBI Registration No.:** INR0000000221

**CIN:** L72400TG2017PLC117649

**OFFER PROGRAMME**

**ANCHOR PORTION OFFER  
OPENS/CLOSES ON\*: [●]**

**BID/OFFER OPENS ON: [●]**

**BID/OFFER CLOSES ON^\*\*\*: [●]**

\*The 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/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

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

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date

\*Subject to finalization of the Basis of Allotment

## **TABLE OF CONTENTS**

<b>SECTION I – DEFINITIONS AND ABBREVIATIONS.....</b>	<b>1</b>
<i>GENERAL AND COMPANY RELATED TERMS.....</i>	<i>1</i>
<i>COMPANY RELATED TERMS.....</i>	<i>1</i>
<i>OFFER RELATED TERMS.....</i>	<i>4</i>
<i>TECHNICAL AND INDUSTRY RELATED TERMS.....</i>	<i>11</i>
<i>CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS.....</i>	<i>13</i>
<i>CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND</i>	
<i>CURRENCY OF PRESENTATION.....</i>	<i>18</i>
<i>FORWARD – LOOKING STATEMENTS.....</i>	<i>20</i>
<b>SECTION II - SUMMARY OF THE OFFER DOCUMENT.....</b>	<b>22</b>
<b>SECTION III - RISK FACTOR.....</b>	<b>28</b>
<b>SECTION IV – INTRODUCTION.....</b>	<b>66</b>
<i>THE OFFER.....</i>	<i>66</i>
<i>SUMMARY OF FINANCIAL INFORMATION.....</i>	<i>69</i>
<b>SECTION V – GENERAL INFORMATION.....</b>	<b>73</b>
<b>SECTION VI - CAPITAL STRUCTURE.....</b>	<b>86</b>
<b>SECTION VII – PARTICULARS OF THE OFFER.....</b>	<b>106</b>
<i>OBJECTS OF THE OFFER.....</i>	<i>106</i>
<i>BASIS FOR OFFER PRICE.....</i>	<i>122</i>
<i>STATEMENT OF SPECIAL TAX BENEFITS.....</i>	<i>131</i>
<b>SECTION VIII – ABOUT THE COMPANY.....</b>	<b>138</b>
<i>INDUSTRY OVERVIEW.....</i>	<i>138</i>
<i>BUSINESS OVERVIEW.....</i>	<i>174</i>
<i>KEY INDUSTRY REGULATIONS.....</i>	<i>198</i>
<i>HISTORY AND CORPORATE STRUCTURE.....</i>	<i>213</i>
<i>OUR MANAGEMENT.....</i>	<i>218</i>
<i>OUR PROMOTERS AND PROMOTER GROUP.....</i>	<i>233</i>
<i>OUR SUBSIDIARY.....</i>	<i>238</i>
<i>DIVIDEND POLICY.....</i>	<i>240</i>
<b>SECTION IX – FINANCIAL STATEMENTS.....</b>	<b>241</b>
<i>RESTATED FINANCIAL INFORMATION.....</i>	<i>241</i>
<i>OTHER FINANCIAL INFORMATION.....</i>	<i>242</i>
<i>MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF</i>	
<i>OPERATIONS.....</i>	<i>243</i>
<i>CAPITALISATION STATEMENT.....</i>	<i>259</i>
<i>FINANCIAL INDEBTEDNESS.....</i>	<i>260</i>
<b>SECTION X – LEGAL AND OTHER INFORMATION.....</b>	<b>263</b>
<i>OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS.....</i>	<i>263</i>
<i>GOVERNMENT APPROVALS.....</i>	<i>271</i>
<b>SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES.....</b>	<b>279</b>
<b>SECTION – XII – OTHER REGULATORY AND STATUTORY DISCLOSURES.....</b>	<b>282</b>
<b>SECTION XIII –OFFER RELATED INFORMATION.....</b>	<b>296</b>
<i>TERMS OF OFFER.....</i>	<i>296</i>
<i>OFFER STRUCTURE.....</i>	<i>305</i>
<i>OFFER PROCEDURE.....</i>	<i>310</i>
<i>RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....</i>	<i>343</i>
<i>DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION.....</i>	<i>345</i>
<b>SECTION XIV – OTHER INFORMATION.....</b>	<b>365</b>
<i>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....</i>	<i>365</i>
<i>DECLARATIONS.....</i>	<i>367</i>



## SECTION I – 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 or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms in “**Statement of Special Tax Benefits**”, “**Industry Overview**”, “**Key Industry Regulations**”, “**Restated Financial Information**”, “**Outstanding Litigation and Material Developments**” and “**Description of Equity Shares Related Terms of the Articles of Association**”, beginning on pages 131, 138, 198, 241, 263 and 345, respectively, will have the meaning ascribed to such terms in those respective sections.*

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”, or “Milan”	Milan Ginning Pressing Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India.
Our Promoters	Mohmmadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 233 of this Draft Red Herring Prospectus.
Promoter Group	Companies, individuals and entities as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <b><i>Our Promoters and Promoter Group</i></b> ” on page 233 of this Draft Red Herring Prospectus.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors is constituted in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, For details refer section titled “ <i>Our Management</i> ” on page 218 of this Draft Red Herring Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	The Statutory Auditor of our Company, currently being M/s. <b>G M C A &amp; Co</b> , Chartered Accountants, Mumbai (FRN:109850W) holding a valid Peer Review Certificate bearing no. 015381 as mentioned in the Chapter titled “General Information” on page 73 of this Draft Red Herring Prospectus.
Bankers to the Company	Banker to our Company, namely State Bank of India.
Board of Directors / Board/BOD	The Board of Directors of the Company, including all duly constituted Committees thereof unless otherwise specified.
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, being <b>Devendra Kumar Yadav</b> .
CIN	Corporate Identification Number of our Company i.e. U17119GJ1995PLC025604
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being <b>Shah Yashesh Vijaykumar</b> .
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 of the Companies Act and as described in the chapter titled “Our Management” beginning on page 218 of this Draft Red Herring Prospectus

Term	Description
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s)	Director(s) on the board of our Company, as appointed from time to time. For details of our Directors, see the chapter titled ‘Our Management’ beginning from Page No. 218 of this Draft Red Herring Prospectus.
DIN	Director Identification Number
DP ID	Depository’s Participant’s Identity Number.
EBITDA	EBITDA provides a clearer view of a company's operating profitability by excluding non-operating expenses like depreciation and amortization. It helps assess a company's ability to generate cash from its core operations
EBITDA Margin (%)	This metric is the percentage of EBITDA in relation to the total revenue from operations. It indicates the portion of revenue that translates into EBITDA and is a measure of operating efficiency.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Director/ ED	Executive Director are the Managing Director and Whole Time Directors of our Company
Group Companies	In terms of the Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies” shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions in accordance with the Accounting Standard 18 as disclosed in the Restated Financial Statements covered under the applicable accounting standards, and as disclosed in chapter titled “Information with respect to Group Companies” beginning from Page No. 279 of this Draft Red Herring Prospectus.
ICA	Independent Chartered Accountant namely Abhishek Kumar & Associates, Chartered Accountants.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see the chapter titled “Our Management” beginning on Page No. 218 of this Draft Red Herring Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE0T0Y01017.
Key Managerial Personnel / Key Managerial Employees	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, as described in the chapter titled “Our Management” beginning from Page No. 218 of this Draft Red Herring Prospectus.
Key Performance Indicators/ KPIs	Key financial and operational performance indicators of our Company, as included in “ <i>Basis for the Offer Price</i> ”, “ <i>Business Overview – Key Performance Indicators</i> ” and “ <i>Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators</i> ” on pages 122, 174 and 243 respectively.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on May 23, 2025, in accordance with the requirements of the SEBI ICDR Regulations.
Managing Director / MD	The Managing Director of our Company, namely Mohmmadhasnein Husenali Narsinh.
MOA/Memorandum of Memorandum	Memorandum of Association of our Company as amended from time to time.

Term	Description
Association	
Non-Residents	A person resident outside India, as defined under FEMA, and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “Our Management” on page 218 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director, not being an Executive Director. For further details of the Non-Executive Director, see “Our Management – Board of Directors” beginning from Page No. 218.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Offer / Issue	For the sake of clarity, the Offer or Issue is read as the same as and when written in this Draft Red Herring Prospectus
PAT for the year/period	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of business.
Registered Office	The Registered Office of our Company, which is situated at Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India.
Restated Financial Information	<p>Restated Financial Information comprises of the "Restated Consolidated Financial Information" and "Restated Standalone Financial Information".</p> <p>The "Restated Consolidated Financial Information" comprises of the Restated Consolidated Statement of Assets and Liabilities of the company and its subsidiaries (the company and its subsidiaries together referred to as the "Group") as at December 31, 2024 and March 31, 2024, the restated Consolidated Statement of Profit and Losses and the Restated Consolidated Statement of Cash Flows for the nine months period ended December 31, 2024 and for the year ended March 31, 2024, and the Significant Accounting Policies and Notes annexure thereto.</p> <p>The "Restated standalone Financial Information" comprises of the Restated Statement of Assets and Liabilities of the Company as at March 31, 2023 and 31 March 2022, the related Restated Statement of Profit and Losses and the Restated Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022, and the Significant Accounting Policies and Notes annexure thereto..</p>
Revenue from Operations	Revenue from Operations is used by management to track the revenue profile of the business and in turn helps assess the overall financial performance of Company and size of business.
ROC / Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad.
ROE	RoE provides how efficiently Company generates profits from shareholders' funds.
ROCE	ROCE provides how efficiently Company generates earnings from the capital employed in the business.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
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.



<b>Term</b>	<b>Description</b>
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Senior Management/ Senior Managerial Personnel	Senior management of our Company determined in accordance with Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 218 of this Draft Red Herring Prospectus.
Selling shareholder(s)	The Selling Shareholder participating in the Offer being Mohammadhasnein Husenali Narsinh and Husenali Yusufali Narsinh. For further details, please refer to section titled “Capital Structure” beginning on page 86 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 218 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, it refers to, SME Platform of BSE Limited (“BSE SME”).
Subscribers to MOA	Subscribers to MOA are Husenali Yusufali Narsinh and Yusufali Khushal Narsinh
Subsidiaries	K R Solvent LLP and MAH Textiles LLP, are the subsidiaries of our Company.
Total Equity	Where total shareholders’ equity + other equity (including security premium and surplus/(deficit) and other compressive income.
Total Debt	Sum of Long & Short-Term Borrowings.
Total Debt / Equity	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.

## **OFFER RELATED TERMS**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment	Offer of the Equity Shares pursuant to the Offer to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been offered.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	₹ [●]/- per equity share i.e. the price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which was decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Offer Period	[●], being one working day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors was submitted and allocation to the Anchor Investors was completed.

Terms	Description
Anchor Investor Offer Price	₹ [●]- per equity share being the final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Portion	Up to 60% of the QIB Portion consisting of [●] Equity Shares of face value of ₹ 10 each which were allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. ASBA is mandatory for all Applicants participating in the Issue.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Bid	A Bid made by ASBA Bidder.
Bankers to the Offer / Public Issue Bank/ Refund Banker	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Offer and which is described in paragraph titled “ <i>Basis of allotment</i> ” under chapter titled “ <i>Offer Procedure</i> ” starting from page 310 of this Draft Red Herring Prospectus.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Bid Lot	[●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter.
Bid/ Offer Period	<p>The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases 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 / Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days.</p>

Terms	Description
Bid/Offer Closing Date	<p>Except in relation to Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi nationaldaily newspaper) and [●] editions of the Gujarati Daily newspaper, [●] (Gujarati being the regional language of Gujarat where our Registered Office is located).</p> <p>Our Company in consultation with the BRLM, may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Offer Opening Date	<p>Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi nationaldaily newspaper) and [●] editions of the Gujarati Daily newspaper, [●] (Gujarati being the regional language of Gujarat where our Registered Office is located).</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members 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 Offer is being made.
BRLM / Book Running LeadManager	Book Running Lead Manager to the Offer, in this case being <b>PNB Investment Services Limited</b> .
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application 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 websites of the Stock Exchange.
BSE	BSE Limited
BSE SME	SME platform of BSE Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares.
CAN or confirmation of Allocation Note	The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price will not be finalized and above which no Bids will be accepted.
Cut-Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Individual Bidders Bidding in the Individual Investors Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.

Terms	Description
Collecting Depository Participants or CDPs	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 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Offer and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, and occupation and Bank Account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Intermediaries/Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Offer.
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. <a href="https://www.bseindia.com/">https://www.bseindia.com/</a>
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange i.e. <a href="https://www.bseindia.com/">https://www.bseindia.com/</a>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE Limited ("BSE SME").
DP ID	Depository Participant's Identity Number.
Draft Red Herring Prospectus/DRHP	Draft Red Herring Prospectus dated [●], filed with BSE SME in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
SME Platform of BSE Limited (BSE SME)	The SME Platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Escrow Account	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.

Terms	Description
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fresh Issue / Issue	The Fresh Issue of up to [●]* Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs. <i>*Subject to finalization of the Basis of Allotment</i>
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange, and the Book Running Lead Manager.
GIR Number	General Index Registry Number.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the BSE.
Market Maker	The Market Maker to the Offer, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10 each at an Offer price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, the Promoter Selling Shareholder, Book Running Lead Manager and Market Maker.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, (other than anchor allocation), which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Offer	The Offer excluding the Market Maker Reservation Portion of [●] Equity Shares of face value of ₹ 10 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Net Proceeds	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For details about use of the Net Proceeds and the Offer related expenses, see "Objects of the Offer" on page 106.
Non-Institutional Applicant / Investors	All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹2.00 Lakhs (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price or through such other method of allocation as may be introduced under applicable law.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all Individual payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).

Terms	Description
Offer Agreement	Agreement dated [●] entered amongst our Company, the Promoter Selling Shareholder and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Offer.
Offer Closing	Our Offer shall close on [●].
Offer Document	Includes this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus to be filed with Registrar of Companies.
Offer for Sale	Sale upto 3,72,500 Equity Shares of face value of ₹ 10/- each, by the Promoter Selling Shareholder for cash at a price of ₹ [●] per Equity Share (including a premium of ₹. [●] per Equity Share) aggregating ₹ [●] Lakhs.
Offer Opening	Our Offer shall open on [●].
Offer Period	The periods between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Offer Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●]/- per Equity Share).
Offer Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “ <i>Objects of the Offer</i> ” page 106 of this Draft Red Herring Prospectus.
Offer/ Offer Size/ Initial Public Offer/ Initial Public Offering/IPO	The Initial Public Offer of [●] Equity shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising a Fresh Issue of [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ 7,600 Lakhs and the Offer for Sale of upto 3,72,500 Equity Shares of face value of ₹ 10 each by Promoter Selling Shareholder. <i>*Subject to finalization of the Basis of Allotment</i>
Offered Shares	Offer of up to 3,72,500 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] lakhs being offered for sale by the Promoter Selling Shareholder in the Offer.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of the 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 / Offer Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account Agreement/Banker to the Offer Agreement/Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into by our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts.
Public Offer Account	Account to be opened with the Banker to the Offer to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Offer Account Bank	The bank with whom the Public Offer Account shall be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in

Terms	Description
	this case being [●].
Qualified Institutional Buyers /QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than [●]% of the Net Offer, consisting of [●] Equity Shares of face value of ₹ 10 each which were made available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation to Anchor Investor were made available on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Offered and the size of the Offer, including any addenda or corrigenda thereto.
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.bseindia.com/">https://www.bseindia.com/</a>
Registrar / Registrar to the Offer/ RTA	Registrar to the Offer being KFin Technologies Limited.
Registrar Agreement	The registrar agreement dated [●] entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Individual Investors /(II)	Individual investors who applies for minimum application size (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000.
Portions	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares of face value of ₹ 10 each which shall be available for allocation to IBs (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Portion, and the remaining Equity Shares to be Allotted on a proportionate basis.
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
SEBI Master Circular	Master circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable the stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place.
Sponsor Bank	The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Selling Shareholders or Promoter Selling Shareholders	Mohmmadhasnein Husenali Narsinh and Husenali Yusufali Narsinh are the Selling Shareholders of our Company.
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].

Terms	Description
Share Escrow Agreement	The agreement dated [●], entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Sub Syndicate Member	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 dated [●] entered into amongst our Company, the Promoter Selling Shareholder, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Offer.
Syndicate Member(s)	Syndicate member(s) as defined under Regulation 2(1) (hhh) of the SEBI ICDR Regulations, namely [●].
Underwriting Agreement	The Agreement dated [●] entered into between the Underwriter, our Company and the Promoter Selling Shareholder.
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Individual Bidder to such Mobile App) to the Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter and Fraudulent Borrower	Company or person, as the case may be, categorized as a willful defaulter(s) or fraudulent borrower(s) by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI and in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Offer Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Offer Closing Date and the listing of Equity Shares on BSE, working day means all trading days of BSE, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
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APEDA	Agricultural & Processed Food Products Export Development Authority
ATUFS	Amended Technology Upgradation Fund Scheme
BCI	Better Cotton Initiative
CAD	Computer Aided Designs
CAGR	Compound Annual Growth Rate
C&A	Clemens and August Brenninkmeijer
CCI	Cotton Corporation of India
CEPA	Comprehensive Economic Partnership Agreement
CIN	Company Identification Number
CPI	Consumer Price Index
CY	Calendar Year
DGCI&S	Directorate General of Commercial Intelligence and Statistics
DGFT	Directorate General of Foreign Trade
DR	Double Roller
EU	European Union
Etc	Etcetera
FDI	Foreign Direct Investment
FOB	Free on Board
FY	Financial Year
G7	Group of Seven (US, Japan, Germany, France, Italy, UK, Canada)
GDP	Gross Domestic Product
GM	Genetically Modified
GMO	Genetically Modified Organism
GNDI	Gross National Disposable Income
GOTS	Global Organic Textile Standard
GPL	General Purpose Level
GRS	Global Recycled Standard
GVA	Gross Value Added
H&M	Hennes & Mauritz
HSN	Harmonized System of Nomenclature
ICAC	International Cotton Advisory Committee
IMF	International Monetary Fund
IIP	Index of Industrial Production
INR	Indian Rupee
IPDS	Integrated Processing Development Scheme
KG	Kilogram
MENA	Middle East and North Africa
MGPL	Milan Ginning Pressing Limited
MMF	Man-Made Fibers
MSP	Minimum Support Price
MSME/MSMEs	Micro, Small and Medium Enterprises
MT	Metric Tonnes
NOP	National Organic Program

NPOP	National Programme for Organic Production
No.	Number
NSO	National Statistical Office
OCS	Organic Content Standards
OEKO-TEX	International Association for Research and Testing in the Field of Textile and Leather Ecology
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
PFCE	Private Final Consumption Expenditure
PLI	Production Linked Incentive
PKVY	Paramparagat Krishi Vikas Yojana
PMI	Purchasing Managers' Index
PVH	Phillips-Van Heusen Corporation
QRRs	Quarterly Review Reports
RBI	Reserve Bank of India
RCMC	Registration-cum-Membership Certificate
RFD	Ready For Dyeing Fabric
RMG	Ready-Made Garments
RoDTEP	Remission of Duties and Taxes on Exported Products
SEBI	Securities and Exchange Board of India
TEXPROCIL	The Cotton Textiles Export Promotion Council
TUFS	Technology Upgradation Fund Scheme
UAE	United Arab Emirates
UK	United Kingdom
US	United States
USD	United States Dollar
UV	Ultra-Violet
VAT	Value Added Tax
WEO	World Economic Outlook
ZLD	Zero Liquid Discharge

#### CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“Consolidated FDI Policy” or “FDI Policy”	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020.
“Financial Year” or “Fiscal Year” or “FY”	Period of 12 months ending March 31 of that particular year.
“OCBs” 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.
A/c	Account

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CFO	Chief Financial Officer
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act 1956	erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
CS	Company Secretary
CSR	Corporate Social Responsibility
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI.
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952.
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA.
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year/Fiscal	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.

<b>Term</b>	<b>Description</b>
FIR	First information report
FPIs	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
Mn / mn	Million
MOF	Ministry of Finance, Government of India.
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares.
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
NRE	Non- residential external
NRE Account	Non- residential external account

<b>Term</b>	<b>Description</b>
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO	Non- resident ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R&D	Research and Development
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SAT	Securities Appellate Tribunal
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations.

<b>Term</b>	<b>Description</b>
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a state in India
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of BSE Limited.
TDS	Tax Deducted at Source
Trademarks Act	Trademarks Act, 1999, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, 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 a year in this Draft Red Herring Prospectus are to a calendar year.

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “**Financial Information**” on page 241 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Consolidated Financial Information of our Company and of our Subsidiaries, which comprises the Restated Consolidated Statement of 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 Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows for the nine month period ended December 31, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and summary statement of Significant Accounting Policies and other explanatory information prepared in accordance with the requirements of Section 26(1) of Part I of Chapter III of the Companies Act, 2013, 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. For further details, see “**Restated Financial Information**” on page 241. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. 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, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “**Risk Factors**”, “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on pages 28, 174, and 243 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 GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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 the percentage figures have been rounded off to two decimal places including percentage figures in “**Risk Factors**”, “**Industry Overview**” and “**Business Overview**” on pages 28, 138, and 174 respectively, this Draft Red Herring Prospectus.

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

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in its Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

### **Exchange rates**

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

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	Exchange rate as on (in ₹)			
	December 31, 2024	March 31, 2024 <sup>^</sup>	March 31, 2023	March 31, 2022
1 USD	83.78	83.37	82.22	75.79

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in) )

<sup>^</sup>The reference rate has been taken as at March 28, 2024 as March 31, 2024 was a Sunday. In case the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been considered. The reference rates are rounded off to two decimal places.

In case the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been considered. The reference rates are rounded off to two decimal places.

### **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 industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable. 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. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “**Basis for Offer Price**” on pages 122 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 28 of this Draft Red Herring Prospectus.



## 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*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*objective*”, “*plan*”, “*propose*”, “*project*”, “*will*”, “*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. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such 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 ability to respond to them, our ability 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 Company’s expectations include, but are not limited to, the following:

### Forward looking statement

1. Our business is subject to seasonal volatility which contributes to fluctuations in our production capacity.
2. Fire incident at the registered office resulting in destruction of important documents may impact the Company’s operations and regulatory compliance.
3. 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.
4. Our Company has significant purchases of traded goods from the related parties. The higher dependency on purchases with related parties exposes our Company to risk related to business.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page 28, 174 and 243, 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 assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of 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 Directors, the Promoter Selling Shareholders, the Underwriter 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 Book Running Lead Manager 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 Offer.

Neither our Company, our Directors, our Promoters, the Promoter Selling Shareholder, the BRLM nor the Underwriter or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the

underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by our Company and the Promoter Selling Shareholder, in respect of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange for this Offer.

In this regard, the Selling Shareholder shall, severally and not jointly, ensure that our Company and BRLM are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by the Promoter Selling Shareholder with respect to the Offered Shares in the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange for this Offer

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### SUMMARY OF PRIMARY BUSINESS OF THE COMPANY

As of this Draft Red Herring Prospectus, our Company is engaged in the business of trading and manufacturing of Cotton products. The Company specializes in converting raw cotton into lint and cotton bales, along with producing cotton yarn, fabrics, and by-products such as cottonseed cake and linters.

Our Company is poised to remain a preferred global supplier of premium cotton and cotton-based products while fostering long-term partnerships with leading global brands and promoting environmentally responsible farming practices.

For more details, please refer the chapter titled “*Business Overview*” beginning on page 174.

### COTTON INDUSTRY

Some may associate cotton with the soft touch of a summer shirt, a handwoven saree, or the comfort of a bedsheet but behind these familiar textures lies a vast and intricate industrial ecosystem. The cotton processing and export industry is one of the most enduring and economically vital sectors in global manufacturing and agriculture, transforming raw farm produce into one of the world’s most traded natural fibres. From ginning factories in India to textile mills in Bangladesh and retail shelves in Europe and America, cotton powers a supply chain that blends tradition with technology, and rural livelihoods with global commerce.

The cotton industry’s influence extends far beyond fabric. It underpins multiple sectors, from fashion and home furnishings to industrial textiles and personal care products. The process begins with the ginning of seed cotton an essential step that separates the valuable lint from the seeds followed by pressing the fibre into transportable bales. These bales serve as the building blocks for yarn spinning, weaving, dyeing, and manufacturing apparel across continents. In every cotton garment lies the outcome of a sophisticated supply chain involving cultivation, mechanization, logistics, and international trade.

For more details, please refer the chapter titled “Industry Overview” beginning on page 138.

### PROMOTERS OF THE COMPANY

The Promoters of our Company are Mohmmadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh.

### SIZE OF THE OFFER

<b>Present Issue of Equity Shares by our Company (Fresh Issue)</b>	Up to [●] Equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹7,600 Lakhs
<b>Offer for sale</b>	Up to 3,72,500 Equity shares of face value of ₹10/- each for cash at a price of ₹ 10/- per Equity shares aggregating to ₹ [●] Lakhs
<b>Of which:</b>	
<b>Offer / Issue Reserved for the Market Maker</b>	[●] Equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs.
<b>Net Offer</b>	The offer constitutes a fresh Issue of Up to [●] Equity Shares having face value of ₹ 10 each of our Company at an Issue Price of ₹ [●]/- per Equity Share aggregating up to ₹ 7,600 lakhs. This offer also includes an Offer for sale comprising of 3,72,500 equity shares of face value of ₹ 10 each aggregating up to [●] lakhs by the Promoter Selling Shareholder.

\* *Subject to finalization of the Basis of Allotment*

For further details, please refer to the chapter titled “Terms of the Offer” beginning on page 296.

1) The Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations and

amendments thereto read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post offer paid up equity share capital of our company are being offered to the public for subscription.

2) Selling Shareholder have confirmed that the Offered Shares have been held by such Selling Shareholder for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations and amendments thereto. Further, Selling Shareholder have confirmed that their respective Offered Shares are compliant with the SEBI ICDR Regulation, 2018 read along with SEBI ICDR Regulation (Amendment) Regulations, 2025. For details on the Consent of the selling shareholder in relation to the offered shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 66 and 282, respectively.

#### OBJECTS OF THE OFFER

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

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds
1.	Investment in our Subsidiary, MAH Textiles LLP* in the form of capital contribution for financing the construction of factory building, factory shed and cost of equipment and machinery for the manufacturing unit of dyeing and printing located at Limbdi, Surendranagar, Gujarat.	3,420	45.00
2.	Funding its incremental working capital requirements	2,480	32.63
3.	General Corporate Purposes	[●]	[●]
Net Issue Proceeds		[●]	[●]

#### SHAREHOLDING PATTERN OF PROMOTER & PROMOTER GROUP

Sr. No.	Name of the Shareholders	Pre-Offer		Post - Offer	
		Number of Equity Shares of face value of ₹ 10 each	% of Pre-Offer Equity Share Capital	Number of Equity Shares of face value of ₹ 10 each	% of Post-Offer Equity Share Capital
Promoter					
1.	Mohmmadhasnein Husenali Narsinh (Promoter Selling Shareholder)	56,17,500	34.00	[●]	[●]
2.	Husenali Yusufali Narsinh (Promoter Selling Shareholder)	56,16,975	34.00	[●]	[●]
3.	Minajbanu Husenali Narsinh	33,07,500	20.02	[●]	[●]
	Total – A	1,45,41,975	88.02	[●]	[●]
Promoter Group					
1.	Jamani Mehvis Mehndihasan	6,65,525	4.03	[●]	[●]
2.	Fatema Mohmadhasnein Narsinh	6,65,000	4.03	[●]	[●]
3.	Aarzoo Mohamadali Narsinh	6,47,938	3.92	[●]	[●]
4.	Mehndihasan Shabbirali Jamani	438	Negligible	[●]	[●]
	Total – B	19,78,901	11.98	[●]	[●]
	Total – C (A+B)	1,65,20,876	100	[●]	[●]

#### SUMMARY DERIVED FROM THE RESTATED FINANCIAL INFORMATION

The following information has been derived from our Restated 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:

(₹ In Lakhs)

Particulars	For the Financial Year ended/ Period on			
	Consolidated		Standalone	
	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital (₹ in Lakhs)	1,652.09	1,652.09	944.05	598.05
Reserves & Surplus (₹ in Lakhs)	3,187.99	2,400.67	1,744.83	1,103.38
Networth (₹ in Lakhs)	4,840.08	4,052.76	2,688.88	1,701.43
Revenue from Operations (₹ in Lakhs)	66,468.52	90,188.41	68,275.02	73,492.44
Profit After Tax (₹ in Lakhs)	792.08	1,151.11	641.44	216.09
EPS - Basic & Diluted ( in ₹)	4.79	6.97	4.22	2.06
NAV per equity share	29.30	24.53	28.48	28.45

#### AUDITOR'S QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT IN RESTATED FINANCIAL INFORMATION

There is no Auditor qualification which has not been given effect to in the Restated Financial Information.

#### SUMMARY OF OUTSTANDING LITIGATIONS

Except as mentioned below, there are no other pending Litigation against our Company, Promoters, Directors or KMP & SMP of the company:

(₹ In Lakhs)

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (to the extent ascertainable) (₹ in Lakhs)
Company						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors and Promoters						
By our Directors and Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors and Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
Litigation involving our Group Entities	Nil	Nil	Nil	Nil	Nil	Nil

Subsidiaries						
Litigation involving our Subsidiaries	Nil	3	Nil	Nil	Nil	4.24
KMP and Senior Management						
Criminal proceeding involving KMP & SMP	Nil	1	Nil	Nil	1	2.42

**Note:** The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

For further details, please refer to the chapter “Outstanding Litigations and Material Development” beginning on page 263.

## RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 28.

## SUMMARY OF CONTINGENT LIABILITIES

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. Bank LC Discounting	297.03	2,385.33	483.97	3,082.03
2. Income Tax Demand	3.79	3.79	3.79	3.79
<b>Total</b>	<b>300.82</b>	<b>2,389.12</b>	<b>487.76</b>	<b>3,085.82</b>

## 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 during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

As per the Restated Financial Information as at and for the period ended December 31, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, following are the details of the related party transactions of our Company:

Sr. No.	Nature of Transactions	Name of Related Parties	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	Director's Remuneration	Husenali Yusufali Narsinh	0.20	0.72	0.45	0.21
		Mehvis Mehndihasan Jamani	-	1.69	9.00	6.57
		Fatema Mohmmadhasnein Narsinh	-	-	-	-
		Minajbanu Huseanli Narsinh	0.20	-	-	-
		Mohmmadhasnein Husenali Narsinh	0.20	-	-	-
		<b>Total</b>	<b>0.60</b>	<b>2.41</b>	<b>9.45</b>	<b>6.78</b>
2.	Salary paid to KMP/Relative of KMP	Devendra Kumar Yadav	3.00	-	-	-
		Mayank Lashkari	4.03	-	-	-
		<b>Total</b>	<b>7.03</b>	<b>-</b>	<b>-</b>	<b>-</b>

3.	Loan paid during the year to related parties	Basiraben Yusufbai	0.32	-	-	-
		Masumaben Khushalbai	0.21	-	-	-
		Husenali Yusufali Narsinh	-	-	161.00	-
		Narsinh Mohmmadhasnein Husenali	-	-	105.00	-
		Narsinh Fatema Mohmmadhasnein	-	-	80.00	-
		<b>Total</b>	<b>0.21</b>	<b>-</b>	<b>346.00</b>	<b>-</b>
4.	Loan received during the year from related parties	Husenali Yusufali Narsinh	-	-	85.00	76.05
		Narsinh Mohmmadhasnein Husenali	-	-	105.00	-
		Narsinh Fatema Mohmmadhasnein	-	3.00	111.70	-
		Mehvis Mehndihasan Jamani	-	1.31	-	-
		<b>Total</b>	<b>-</b>	<b>4.31</b>	<b>301.70</b>	<b>76.05</b>
5.	Advance received during the year to related parties	Bharat Milling Company	-	3.10	-	-
6.	Purchase	Sustainable Spinning and Commodities Private Limited	670.27	11,087.31	17,355.70	23,319.41
		K. R. Solvent LLP	2,078.16	2,600.46	2,405.37	1,300.20
		Mah Textiles LLP	10,383.75	6,980.68	3,783.82	2,859.05
		Sustainable Knitting LLP	1,551.95	2,057.22	286.41	179.61
		Sustainable Smartwear Pvt Limited	299.58	-	-	-
		<b>Total</b>	<b>28,936.28</b>	<b>29,356.73</b>	<b>25,005.29</b>	<b>23,464.30</b>
7.	Job work	Sustainable Knitting LLP	-	-	2.85	26.90
8.	Rent received	Mah Textiles LLP	0.06	0.12	0.12	0.12
9.	Investment in Capital	Mah Textiles LLP	-	292.50	-	-
		K. R. Solvent LLP	-	675.00	-	-
		<b>Total</b>	<b>-</b>	<b>967.50</b>	<b>-</b>	<b>-</b>

*\*As certified by the Statutory Auditors, by way of their certificate dated June 25, 2025*

#### **WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BYOUR PROMOTERS IN LAST ONE YEAR**

Weighted average price at which the Equity Shares were acquired by our Promoter and selling shareholder in Last One Year:

S. No.	Name of Promoter/Selling Shareholder	No. of Equity Shares	Average cost of acquisition*(in ₹)
1.	Mohmmadhasnein Husenali Narsinh, (Promoter Selling Shareholder)	NIL	NA
2.	Husenali Yusufali Narsinh (Promoter Selling Shareholder)	NIL	NA
3.	Minajbanu Husenali Narsinh	NIL	NA

*\*As certified by the GMCA & Co., Chartered Accountants Statutory Auditors of the Company, by way of their certificate dated June 25, 2025.*

#### **AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER AND SELLING**

## SHAREHOLDER

The average cost of acquisition of Equity Shares for the Promoters and the Promoter Selling Shareholders is as follows:

S. No.	Name of Promoter/Selling Shareholder	No. of Equity Shares	Average cost of acquisition*(in ₹)
1.	Mohmmadhasnein Husenali Narsinh, (Promoter Selling Shareholder)	56,17,500	2.76
2.	Husenali Yusufali Narsinh (Promoter Selling Shareholder)	56,16,975	4.73
3.	Minajbanu Husenali Narsinh	33,07,500	3.02

*\*As certified by the GMCA & Co., Chartered Accountants Statutory Auditors of the Company, by way of their certificate dated June 25, 2025.*

## 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.

## ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued any Equity Shares or Preference Shares for consideration other than cash during a period of one year preceding the date of this Draft Red Herring Prospectus:

## SPLIT/CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus



### **SECTION III - RISK FACTOR**

#### **INTERNAL RISK FACTORS**

- 1. Our business is subject to seasonal volatility which contributes to fluctuations in our production capacity.**

Our company primarily relies on cotton as the major raw material for production. Due to its seasonal availability, our production is affected for a few months each year. The period of higher revenue fluctuates from season to season, and on average, our production facilities operate for approximately eight months annually. During the crop season, we can procure cotton in large quantities and at reasonable prices. However, in the off-season, its availability decreases, and price fluctuations occur. As a result, our revenue in any given quarter may not accurately represent the overall financial year's trend. Given the seasonal and cyclical nature of the industry, the consistent availability of cotton at favourable terms and in required quantities are uncertain. Consequently, this may have an adverse impact on our operational results and financial condition. We aim to maintain adequate inventory during the peak procurement season to ensure smooth operations during the off-season. We also monitor market trends closely and engage in forward planning to optimise our procurement strategy and cost management, although such measures may not fully eliminate the risks associated with raw material volatility.

- 2. Fire incident at the registered office resulting in destruction of important documents may impact the Company's operations and regulatory compliance.**

On April 24, 2017, a fire incident occurred at the registered office of Milan Ginning Pressing Limited, resulting in the destruction of several critical documents spanning the period from 1995 to 2014. The affected records included accounting books, bank statements, tax filings, secretarial records, physical forms filed with the Registrar of Companies, Ahmedabad, share transfer forms, and other key documentation maintained at the premises. The incident was formally acknowledged by Limdi Nagarpalika through a certificate bearing Seni Vashi No. 609/2017 dated May 18, 2017. While the Company is in the process of reconstructing the lost documentation to the extent possible, there can be no assurance that all critical information will be fully restored. The loss of such records may hinder the Company's ability to respond to regulatory requirements, legal proceedings, or audit verifications and could result in delays, additional compliance costs, or reputational impact. This incident may also raise concerns regarding the adequacy of the Company's risk management and document preservation systems. Our Company has put in place appropriate measures aimed at reducing the possibility of similar situations occurring in the future, and remains committed to continually reviewing and enhancing its internal processes to ensure greater operational resilience.

**3. 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.**

Our business operations require us to obtain and periodically renew various approvals, licenses, registrations, and permits. Some of these have fixed validity periods, necessitating timely renewal applications. Failure to maintain compliance with regulatory requirements may lead to fines, suspension, or cancellation of these approvals, potentially impacting our business. Additionally, there is no assurance that authorities will issue or renew the necessary permits on time or at all. Regulatory bodies may also impose additional terms and conditions, and any non-compliance could result in the cancellation of licenses or authorizations, disrupting our operations. The Company makes reasonable efforts to track and manage the renewal timelines of its key licenses and approvals through internal monitoring processes. While we do not have a fully automated compliance system in place, designated team members are tasked with overseeing renewals and coordinating with regulatory authorities as needed. Although delays or oversights may still occur due to practical constraints or evolving regulatory expectations, the Company remains committed to maintaining overall compliance and addressing any gaps as they arise. For further details on applicable approvals required, please refer to the chapter titled “GOVERNMENT AND OTHER STATUTORY APPROVALS” on page no. 271 of this DRHP.

**4. We have experienced negative cash flows in relation to our operating activities and investing activities for the Fiscal Year 2024. Any negative cash flows in the future would adversely affect our results of operations and financial condition.**

Our Company had reported certain negative cash flows from its operating activities and investing activities in previous years as per the restated financial statements and the same are summarised as under:

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	For the Period / For the year			
	December 31, 2024	2024	2023	2022
Net cash generated from / (used in) operating activities	1,124.25	(2,180.86)	913.71	2,648.42

As of March 31, 2024, the Company has reported **negative cash flow from operating activities**, indicating that the cash generated from core business operations was insufficient to meet operating expenses and working capital requirements. Sustained negative operating cash flows may affect our ability to fund ongoing operations, invest in growth opportunities, meet financial obligations, and maintain liquidity. If we are unable to improve our cash flow position, it may lead to increased reliance on external borrowings, which could adversely impact our financial condition and results of operations. The Company is taking steps to improve operational efficiency, optimise working capital cycles, and enhance collection mechanisms to strengthen cash flow generation from core activities. Where necessary, the Company evaluates short-term funding options to bridge temporary gaps, while also focusing on increasing revenue streams and controlling costs. While challenges may persist in certain periods due to market dynamics or seasonal fluctuations, the Company remains committed to improving its cash flow position through disciplined financial management and operational improvements.

**5. Our Company has significant sales and purchases of goods from the related parties. The higher dependency on sales and purchases with related parties exposes our Company to risk related to business.**

Our Company has significant sales and purchases of goods from the related parties. Our Company transacts with the related parties in the normal course of its business in the arm's length price. Our company has

transacted more than 20 % of its total sales and purchases with its related parties in the past. The said significant transactions with the related parties exposes our Company with the following risks:

- Potential Conflict of Interest: Transactions with related parties may not always be based purely on market driven terms, potentially leading to conflicts of interest.
- Business Concentration Risk: Dependence on related parties for significant procurement could expose the Company to operational disruptions if these parties alter their business terms or discontinue their relationship.
- Regulatory Risk: Higher volumes of related party transactions may attract closer scrutiny from regulatory authorities, resulting in possible penalties or reputational harm if found non-compliant.
- Limited Bargaining Power: Over-reliance could reduce our ability to negotiate favourable terms, impacting profitability and operational flexibility.

**Revenue bifurcation of related parties (on Milan Ginning Pressing Limited- Consolidated Basis):**

(₹ in Lakhs)

Name of Customer	Consolidated		Consolidated		Standalone		Standalone	
	For the Period		For the Year		For the Year		For the Year	
	Apr 24 - Dec 24		2023-24		2022-23		2021-22	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Sustainable Spinning And Commodities Private Limited	1,915	2.88%	11,105	12.31 %	17,336	25.39 %	23,319	31.73 %
K R Solvent LLP	0.00	0.00%	2,709	3.00%	3,405	4.99%	2,610	3.55%
Mah Textiles LLP	0.00	0.00%	150	0.17%	3,280	4.80%	1,968	2.68%
Sustainable Knitting LLP	86	0.13%	933	1.03%	520	0.76%	0.00	0.00%
Sustainable Smartwear Pvt Limited	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Others	64,468	96.99 %	75,292	83.48 %	43,735	64.06 %	45,595	62.04 %
<b>Total</b>	<b>66,469</b>	<b>100.00 %</b>	<b>90,188</b>	<b>100.00 %</b>	<b>68,275</b>	<b>100.00 %</b>	<b>73,492</b>	<b>100.00 %</b>

**Revenue bifurcation of related parties (on Milan Ginning Pressing Limited- Standalone Basis):**

(₹ in Lakhs)

Name of Customer	Standalone		Standalone		Standalone		Standalone	
	For the Period		For the Year		For the Year		For the Year	
	Apr 24 - Dec 24		2023-24		2022-23		2021-22	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Sustainable Spinning And Commodities Private Limited	670	1.03%	11,087	12.32 %	17,336	25.39 %	23,319	31.73 %
K R Solvent LLP	1,129	1.73%	2,709	3.01%	3,405	4.99%	2,610	3.55%
Mah Textiles LLP	2,308	3.54%	150	0.17%	3,280	4.80%	1,968	2.68%
Sustainable Knitting LLP	86	0.13%	933	1.04%	520	0.76%	0.00	0.00%
Sustainable Smartwear Pvt Limited	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%

Others	61,092	93.58 %	75,097	83.46 %	43,735	64.06 %	45,595	62.04 %
<b>Total</b>	<b>65,285</b>	<b>100.00 %</b>	<b>89,975</b>	<b>100.00 %</b>	<b>68,275</b>	<b>100.00 %</b>	<b>73,492</b>	<b>100.00 %</b>

**Purchase bifurcation of related parties (on Milan Ginning Pressing Limited- Consolidated Basis):**

(₹ in Lakhs)

Name of Supplier	Consolidated		Consolidated		Standalone		Standalone	
	For the Period		For the Year		For the Year		For the Year	
	Apr 24 - Dec 24		2023-24		2022-23		2021-22	
	Purch ase	%	Purch ase	%	Purch ase	%	Purch ase	%
Sustainable Spinning And Commodities Private Limited	15,038	24.23 %	17,718	20.75 %	18,530	28.97 %	19,125	27.27 %
K R Solvent LLP	0.00	0.00%	2,582	3.02%	2,405	3.76%	1,300	1.85%
Mah Textiles LLP	0.00	0.00%	6,536	7.66%	3,784	5.92%	2,859	4.08%
Sustainable Knitting LLP	1,552	2.50%	2,057	2.41%	286	0.45%	180	0.26%
Sustainable Smartwear Pvt Limited	300	0.48%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Others	45,173	72.79 %	56,482	66.16 %	38,952	60.90 %	46,674	66.55 %
<b>Total</b>	<b>62,063</b>	<b>100.00 %</b>	<b>85,375</b>	<b>100.00 %</b>	<b>63,957</b>	<b>100.00 %</b>	<b>70,138</b>	<b>100.00 %</b>

**Purchase bifurcation of related parties (on Milan Ginning Pressing Limited- Standalone Basis):**

(₹ in Lakhs)

Name of Supplier	Standalone		Standalone		Standalone		Standalone	
	For the Period		For the Year		For the Year		For the Year	
	Apr 24 - Dec 24		2023-24		2022-23		2021-22	
	Purch ase	%	Purch ase	%	Purch ase	%	Purch ase	%
Sustainable Spinning And Commodities Private Limited	14,623	23.78 %	17,718	20.76 %	18,530	28.97 %	19,125	27.27 %
K R Solvent LLP	2,078	3.38%	2,600	3.05%	2,405	3.76%	1,300	1.85%
Mah Textiles LLP	10,384	16.89 %	6,981	8.18%	3,784	5.92%	2,859	4.08%
Sustainable Knitting LLP	1,552	2.52%	2,057	2.41%	286	0.45%	180	0.26%
Sustainable Smartwear Pvt Limited	300	0.49%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Others	32,546	52.94 %	56,002	65.61 %	38,952	60.90 %	46,674	66.55 %
<b>Total</b>	<b>61,482</b>	<b>100.00 %</b>	<b>85,359</b>	<b>100.00 %</b>	<b>63,957</b>	<b>100.00 %</b>	<b>70,138</b>	<b>100.00 %</b>

Our Promoters and Directors are associated with other entities, including companies and enterprises engaged in businesses similar to or potentially competitive with that of our Company. Currently, there is no formal non-compete agreement or contractual arrangement in place restricting them or the entities promoted by

them from engaging in activities that may conflict with the interests of our Company. As a result, there can be no assurance that they will not engage in competing businesses or that potential conflicts of interest will not arise. Such conflicts, if not managed effectively, could adversely impact our business operations, prospects, financial condition, and results of operations. The Company ensures that all related party transactions are undertaken in the ordinary course of business and at arm's length prices, in accordance with applicable laws and internal policies. Wherever required, such transactions are supported by third-party benchmarking or market-based pricing analysis. The Audit Committee and Board of Directors periodically review and approve related party transactions to ensure transparency and compliance with regulatory requirements. Additionally, the Company continues to explore opportunities to diversify its supplier base and reduce dependency on related parties over time, thereby strengthening its operational independence and bargaining position

#### **6. Excessive dependence on State Bank of India for obtaining financial facilities.**

Our company, along with its subsidiaries, has obtained financial assistance from the State Bank of India (SBI) to support our existing operational facilities. As of December 31, 2024, the cumulative outstanding loan amount for our company and subsidiaries, i.e., K R Solvent LLP and MAH Textiles LLP, stands at ₹ 4,707.69 Lakhs. These loans have been sanctioned against the security of assets and the personal guarantee of our Promoters. Any default, non-renewal, or renewal on unfavourable terms could create challenges in securing funds for repayment, potentially impacting our operations and financial stability. In the event of default, the invocation of personal guarantees provided by our Promoters and Promoter Group Members could negatively affect their reputation and net worth, which may, in turn, impact our business performance and financial condition. For further details on credit limits and banking facilities, please refer to the chapter titled "FINANCIAL INDEBTEDNESS" on page no. 260 of the Draft Red Herring Prospectus.

#### **7. Significant decline in export sales to Bangladesh and exposure to geopolitical risks may adversely impact our business**

Our export sales to Bangladesh have declined significantly in Fiscal 2025. This sharp decline poses a substantial risk to our export revenue, given our high dependence on the Bangladeshi market. The decline can be attributed to ongoing geopolitical and macroeconomic challenges in Bangladesh, including currency depreciation, rising import restrictions, political unrest, reduced availability of U.S. dollars, and inflationary pressures impacting domestic demand and payment cycles. Our business operations involving Bangladesh are also significantly influenced by the diplomatic and trade relationship between India and Bangladesh. Any deterioration in the bilateral relations, changes in trade policies, imposition of tariffs or restrictions, or political or economic instability in either country could adversely impact our cross-border transactions, disrupt supply chains, and negatively affect our business, financial condition, and results of operations. Any further deterioration in the political or economic environment in Bangladesh may disrupt trade flows, delay payments, or result in the loss of key customers, which could materially impact our business operations, cash flows, and overall financial performance. Moreover, limited geographic diversification in our export markets further amplifies this risk. The below table shows the exports in the last three years and stub period:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
<b>Export</b>	<b>12,619.55</b>	<b>27,257.65</b>	<b>21,741.89</b>	<b>30,626.95</b>
Bangladesh	9,150.67	23,694.89	19,812.95	24,305.01
Export sales to Bangladesh Vs. overall export sales (%)	72.51%	86.93%	91.13%	79.36%

We are actively exploring new export markets to reduce overdependence on any single geography and enhance our global footprint. We are also strengthening our domestic sales network and diversifying our product offerings to cushion against external shocks in any specific market.

**8. Geographic concentration of domestic sales may adversely affect business in the event of regional disruptions**

Our domestic sales are significantly concentrated in three states Gujarat, Maharashtra, and Tamil Nadu. Such a high geographic concentration exposes us to region-specific risks, including adverse weather conditions, political or social unrest, changes in regional regulatory policies, infrastructure disruptions, or economic slowdowns in any of these states. Any material adverse development in these key markets could negatively impact our sales, distribution capabilities, and overall financial performance.

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
<b>Domestic</b>	<b>53,848.97</b>	<b>62,930.77</b>	<b>46,533.13</b>	<b>42,865.48</b>
Gujarat	30,282.66	39,748.36	36,322.10	32,452.76
Maharashtra	6,614.75	7,233.96	4,070.11	3,761.36
Tamil Nadu	12,831.15	8,273.64	3,034.28	1,615.66
<b>Total of above 3 states</b>	<b>49,728.56</b>	<b>55,255.96</b>	<b>43,426.48</b>	<b>37,829.78</b>
<b>Domestic Sales to three states above Vs. overall domestic sales (%)</b>	<b>92.35%</b>	<b>87.80%</b>	<b>93.32%</b>	<b>88.25%</b>

We are working to expand our presence in other states by exploring new distribution channels, strengthening our dealer and customer network, and participating in industry events to reach untapped markets. We also monitor regional developments closely and maintain flexible logistics and supply chain strategies to respond promptly to any disruption in these key regions. Over time, we aim to achieve a more balanced geographic distribution of our sales to enhance business resilience.

**9. Significant dependence on cotton and market-linked pricing may adversely impact our operations and profitability**

Our operations are significantly dependent on raw cotton, which accounts for approximately 60–70% of our total input costs and is critical to the production of cotton bales and related products. Any adverse developments affecting the availability, quality, or pricing of cotton such as unfavourable weather conditions, pest infestations, changes in government policies, or logistical disruptions may result in increased procurement costs, production delays, or compromised product quality.

Additionally, our revenues are influenced by global market-linked pricing for cotton yarns and a considerable portion of our earnings comes from exports, making us vulnerable to foreign exchange rate fluctuations. In the absence of structured risk management strategies, sudden and adverse shifts in cotton prices or exchange rates may adversely impact our operating margins, financial stability, and long-term profitability. The Company closely monitors market trends, weather patterns, and pricing dynamics to make informed procurement decisions and manage inventory more efficiently. We also maintain strong relationships with a diverse base of suppliers to ensure flexibility and continuity in raw material sourcing. The Company endeavours to make prudent procurement decisions based on prevailing market conditions, weather outlooks,

and supplier inputs. We attempt to manage volatility by maintaining adequate inventory levels during favourable pricing periods and diversifying our supplier base to avoid over-reliance on any single source. The management continues to explore options for strengthening its risk management practices in a phased manner, including the possible introduction of basic hedging tools and improved forecasting methods. However, given the inherent unpredictability of commodity and currency markets, some level of exposure to these risks may persist.

**10. Dependence on key customers, third-party suppliers, and related parties may adversely affect our business operations and financial performance.**

We depend on a limited number of customers, which exposes us to a risk of customer concentration. The table below sets out our revenue from our top customer, top 05 customers and top 10 customers, on the basis of revenue contribution, including as a percentage of revenue from operations for the periods indicated.

(₹ in Lakhs)

Particulars	Consolidated				Standalone			
	As at December 31, 2024	% of Total Revenue	As at March 31, 2024	% of Total Revenue	As at March 31, 2023	% of Total Revenue	As at March 31, 2022	% of Total Revenue
Top Customer	2,371.77	3.57	11,087.31	12.29	17,335.15	25.39	23,038.06	31.35
Top 05 Customers	9,968.13	15.00	21,937.61	24.32	32,447.76	47.53	32,470.61	44.18
Top 10 Customers	17,069.57	25.68	30,744.93	34.09	42,374.93	62.07	40,298.82	54.83

% of revenue from operations

The Customers represent the top customers for each of the respective Fiscals and the nine-month period ended December 31, 2024 and may not necessarily be the same customers across the three Fiscals and nine-month period ended December 31, 2024.

Our business depends on external suppliers for the purchases and procurement of raw materials, both for our trading and manufacturing activities. We do not have long-term contracts with any of the suppliers, and typically source materials based on purchase orders. As a result, we are exposed to risks such as delays, supply shortages, quality issues, or sudden price increases. The table below sets out our purchase from our top supplier, top 05 suppliers and top 10 suppliers for the stub period ended on December 31, 2024 and preceding 3 financial years:

(₹ in Lakhs)

Particulars	Consolidated				Standalone			
	As at December 31, 2024	% of Total Purchase	As at March 31, 2024	% of Total Purchase	As at March 31, 2023	% of Total Purchase	As at March 31, 2022	% of Total Purchase
Top Supplier	14,622.84	23.56%	17,718.37	20.75%	18,529.69	28.97%	19,125.43	27.27%
Top 05 Suppliers	22,477.77	36.22%	30,726.80	35.99%	30,030.53	46.95%	26,935.22	38.40%
Top 10 Suppliers	26,945.01	43.42%	37,400.00	43.81%	34,484.73	53.92%	31,255.72	44.56%

\*% of our total purchases.

*The suppliers represent the top suppliers for each of the respective Fiscals and the nine-month period ended December 31, 2024 and may not necessarily be the same suppliers across the three Fiscals and nine-month period ended December 31, 2024.*

Over the past financial years, we have entered into transactions with our Promoters, Directors, Promoter Group, and associated entities, which we believe have been conducted on an arm's length basis. However, there is no assurance that more favourable terms could not have been obtained had such transactions been with unrelated third parties. While all related-party transactions are subject to applicable approvals under the Companies Act, 2013 and SEBI Listing Regulations, including from the Audit Committee, Board, or shareholders, we cannot guarantee that future transactions, whether individually or collectively, will not adversely affect our financial condition, results of operations, or the interests of minority shareholders. Such transactions may potentially involve conflicts of interest and may not always be in the best interest of the Company. Furthermore, any dispute arising with related parties may not necessarily be resolved in our favour. The Company ensures that all related-party transactions are undertaken in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, wherever applicable. Such transactions are subject to review and approval by the Audit Committee and/or the Board of Directors, and, where required, by the shareholders. The Company also strives to maintain transparency by making appropriate disclosures in its financial statements and corporate filings. For further details, please refer to "Annexure J – RELATED PARTY TRANSACTIONS" in the section titled "RESTATED FINANCIAL INFORMATION" on page no. 241 of this Draft Red Herring Prospectus.

#### **11. Discrepancies in corporate records and non-compliance with provisions of the companies act, 2013 may expose us to regulatory risks**

Certain discrepancies and errors have been identified in our corporate records, including forms filed with the Registrar of Companies, and there may have been instances of non-compliance with provisions of the Companies Act, 2013 and other applicable laws. While we are in the process of reviewing and rectifying such inconsistencies, there can be no assurance that regulatory authorities will not impose penalties or initiate actions in the future. Any such proceedings or penalties may adversely affect our reputation, result in monetary liabilities, and impact the financial position and compliance status of the Company to that extent.

In the past, there have been certain instances of delays or incorrect filings of certain forms along with other non-compliances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by RoC. Further, our Company had inadvertently also filed incorrect information in the forms filed with the Registrar of Companies. Our Company has rectified such filings by re-filing such erroneous forms with the RoC.

#### **Discrepancies related to e-forms:-**

<b>Name of the Form</b>	<b>Due date</b>	<b>Description</b>
Annual filing Forms 23AC and ACA and 20B *	Incorporation to 2006	Prior to the year 2006, all required statutory documents were maintained and filed physically at the office of the Registrar of Companies (RoC). No electronic records for the period from the date of incorporation till 2006 are available on the MCA portal. The company does not possess any physical records or documents pertaining to this period. Accordingly, the statutory compliance status for the period from incorporation up to the year 2006 cannot be confirmed.
Form 2 *	29/03/1996	The Company does not have either physical or electronic copies of Form-2 relating to the allotment of 9,800 equity shares dated 29/03/1996. Additionally, no share certificates or supporting documents relating to this allotment were found during the audit. The only available record is the minutes of the Board meeting held on 29/03/1996, which references the said allotment.



DIR-12	30/09/2019	<p>Ms. Mehvis Husenali Narsinh was appointed as an Additional Director on 31/01/2019 and was regularized as a Director at the Annual General Meeting held on 30/09/2019. However, the Company did not file the required e-Form DIR-12 for the regularization of the said Director for a continuous period of two years.</p> <p>Subsequently, the Company filed Form DIR-12 (SRN: F51126035) on 01/12/2024, incorrectly reflecting that her designation was changed from Additional Director to Director w.e.f. 30/09/2022, instead of the actual date of 30/09/2019.</p> <p>In this regard, the Company has also revised Form MGT-7 for the financial year 2022–2023 to rectify the said discrepancy. In Point No. VII(B)(ii) of the original MGT-7, it was erroneously mentioned that Ms. Mehvis Husenali Narsinh was regularised as Director at the AGM held on 30/09/2022. The correct date of regularization is 30/09/2019. A declaration to this effect has been provided by the Company.</p>
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*\* Note: As per the certificate issued by Limdi Nagarpalika bearing Seni Vashi No. 609/2017 dated 18/05/2017, and the declaration received from the Management of the Company vide letter dated 18/06/2025, a fire broke out at the Company's registered office premises on 27/04/2017. The fire affected various areas including the server room and resulted in the destruction of Secretarial Records — including all forms filed physically with the Registrar of Companies, Ahmedabad, share transfer forms, and other secretarial records for the period from 1995 to 2014.*

**Non- Compliances by the company are as follows:**

Sr No.	Year/Date	Particulars / Area Reviewed	Our Observation
1.	14/09/1995 (Board Meeting)*	Form 32 is not found for appointment.	<p>The company appointed the following individuals as Directors:</p> <ol style="list-style-type: none"> <li>1.Mr. Hemendrakumar Balvantrai Dubal</li> <li>2.Mr. Balvantrai Khushaldas Dubal</li> <li>3.Mr. Nirav Kumar Suresh Kothari</li> <li>4.Ms. Minajbanu Husenali Narsinh</li> </ol> <p>for recording the appointment of directors with the Registrar of Companies, Form- 32 is not found on record electronically/ physically.</p>
2.	From 1995 to 2007*	Financial Statement not found.	<p>The Company does not have either physical or electronic copies of the financial statements for the period from the date of incorporation in <b>1995</b> up to the financial year <b>2006–07</b>. From the financial year 2006–07 onwards, it became mandatory to file the Financial Statement including Balance Sheet and Profit &amp; Loss Account electronically with the Ministry of Corporate Affairs (MCA) through the MCA21 portal. However, for the period prior to 2006–07, no records are available on the MCA portal.</p>

			As per the provisions of Section 209 of the Companies Act, 1956, companies are required to maintain books of account for a period of eight years. However, financial statements do not fall within the definition of "books of account" under this section. Being of a permanent nature, financial statements are required to be preserved permanently.
3.	<b>Form 1995 –2013*</b>	Share Allotments and Non-Availability of Payment Records for Allotment of share during the year 1996-2013	<p>The Company has made various (10) Ten allotments aggregating to 59,80,500 equity shares amounting to ₹5,98,05,000 during the period from 1996 to 2013.</p> <p>However, records are available with the Company only regarding the mode of payment received against these allotments. Relevant transactional records such as bank statements, payment proofs, or acknowledgments are not available for verification.</p>
4.	<b>From 1995 -2024</b>	Share certificate of allotment from year 1995-2024 is not found share certificate No. 1 to 1534	<p>The share certificates bearing numbers 1 to 1534, issued for allotments made during the period 1995 to 2024, are not available in the Company's records.</p> <p>As per the Minutes of the Board Meeting dated 19th March 2024 (Item No. 9), the Company had resolved to consolidate the old physical share certificates (Nos. 1 to 1534). However, there is no specific Board resolution or documentation available confirming that the old share certificates were formally cancelled or destroyed in accordance with applicable provisions.</p> <p>Further, all the share certificates have been dematerialised with CDSL.</p>
5.	<b>31/03/1999 to 27/03/2012*</b>	Transfer Deed(s) (Form 7B) from 31/03/1999 to 27/03/2012 not found.	<p>The share transfers executed during the period from 31/03/1999 to 27/03/2012 were not found.</p> <p>In the absence of proper endorsement and stamping the above transaction cannot be verified</p>
6.	<b>30/09/2008 (Annual General Meeting)</b>	The Auditor appointment details as per Form 23B do not match with the auditor who has signed the financial statements.	<p>As per Form 23B, M/s Hitesh V. Shah &amp; Associates were proposed to be appointed as the statutory auditors of the Company at the Annual General Meeting held on September 30, 2008.</p> <p>However, the minutes of the Board meeting indicate that they did not provide their consent to act as auditors, following which the Board resolved to appoint M/s Deepak Shah &amp; Associates in their place. M/s Deepak Shah &amp; Associates were subsequently appointed as auditors at the AGM, and the financial statements were</p>

			signed by them. However, no record of the filing of Form 23 or the corresponding challan in respect of their appointment is traceable.
7.	<b>2008-2009 and 2009-2010</b>	Omission of Board Meeting Dates in Compliance Certificates for FY 2008–2009 and 2009–2010	It was observed that certain Board Meeting dates, as mentioned in the Board Reports for the financial years 2008–2009 and 2009–2010, are not reflected in the compliance certificates issued under Section 383A of the Companies Act, 1956 by the Practicing Company Secretary for the respective years. This indicates an inconsistency between the Board Report disclosures and the contents of the compliance certificates for the said period.
8.	<b>08/10/11, 06/09/12 and 23/02/13</b>  <b>(Board meeting issue dates)</b>	offers made in the Right Issue on were not in accordance with the ratio approved by the Board.	The offers made in the Right Issue on 08/10/2011, 06/09/2012, and 23/02/2013 were not in accordance with the ratio approved by the Board of Directors. The Right Issue was made in deviation from the Board-approved entitlement ratio.  The calculations using these ratios and the total number of shares held do not align with the actual shares offered.
9.	<b>25/10/2011</b> <b>(Board Meeting)</b>	Inconsistency Between Share Allotment Records and Compliance Certificate (FY 2011–12)	The Company had made an allotment of 2,00,000 equity shares on 25/10/2011, as evidenced by the available records and statutory forms.  However, in the Compliance Certificate issued under Section 383A of the Companies Act, 1956 by the Practicing Company Secretary for the financial year 2011–2012, Point No. 19 states that “the Company has not issued any shares during the year,” which contradicts the actual transaction.  This reflects a material inconsistency between the Company's statutory filings and the declarations made in the compliance certificate, thereby raising concerns over the accuracy and completeness of secretarial certification for the relevant financial year.
10.	<b>15/07/2011</b> <b>(Extra-Ordinary General Meeting)</b>	Details of the Extraordinary General Meeting are missing in the Compliance Certificate.	The Company held an Extraordinary General Meeting on 15/07/2011 to increase its authorized share capital from ₹160 lakhs to ₹180 lakhs. However, the Compliance Certificate (CC) for the year ended 31.03.2012 states that no EGM was held during the year.  Furthermore, under Point No. 19 of the CC, it is mentioned that the Company did not alter any capital clauses. This is inconsistent, as the Company had in fact altered the Authorized Capital clause in the

			Memorandum of Association (MOA) by increasing the authorized capital from ₹160 lakhs to ₹180 lakhs
11.	2011-2012	Cost Auditor appointment forms, challan, or cost audit report not found.	Our Company has not been able to provide a certified copy of Form A-XBRL for the financial year 2011–12, and the challan evidencing the appointment of the cost auditor for the said year is not available. Additionally, cost audit reports for the period from April 1, 2011 to March 31, 2014 are not available in the Company's records.
12.	From 2014-2019	Non-Appointment of Company Secretary under Section 203 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Period 2014 to 2019	<p>As per the audited balance sheet dated 31/03/2014, the Company had a paid-up share capital exceeding ₹5 crore, thereby attracting the applicability of Section 203 of the Companies Act, 2013, read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.</p> <p>Accordingly, the Company was mandated to appoint a Whole-Time Company Secretary from the financial year 2014–15 onwards. However, no such appointment was made by the Company during the period 2014 to 2019.</p> <p>This constitutes a non-compliance/violation of the aforesaid statutory provisions for the said period.</p> <p>Further our Company has filed Form GNL-1 on June 14, 2025 bearing SRN N31332067 with the Registrar of Companies, ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, seeking compounding of the said non-compliance. As on the date of this Draft Red Herring Prospectus, the application is pending and the outcome is uncertain.</p>
13.	2014 to 2021 & 2021 to 2024	Internal Audit Reports for the period from 2014 to 2021 were not found	Mr. Giriraj Laddha was appointed as the Internal Auditor of our Company for the period from 2014 to 2021, and Ms. Swati Mayank Somani was appointed for the period from 2021 to 2024. However, internal audit reports for the period from 2014 to 2021 are not available for verification.
14.	04/09/2015 (Board Meeting)	Board Meeting Dates vs. Signing of Financial Documents and XBRL Filing Dates	<p>There are discrepancies in the dates related to the approval and signing of the Board Report and Balance Sheet:</p> <p>The signed Board Report is dated 24/09/2015, whereas the Board Meeting approving the Board Report was held on 04/09/2015.</p>

			<p>The signed Balance Sheet is dated 30/05/2015, while the Board Meeting approving the Balance Sheet took place on 04/09/2015.</p> <p>In the XBRL filing, the Board Report is shown as signed on 04/09/2015 and the Balance Sheet on 02/09/2015.</p> <p>These inconsistencies in dates raise concerns regarding the accuracy and compliance of the financial reporting process.</p>
15.	2017-2018	MGT-7 shows 4 directors present on 20/06/2017, but minutes show 6.	As per the minutes of the Board meeting held on 20/06/2017, all 6 directors were present; however, Form MGT-7 reflects the presence of only 4 directors.
16.	31.03.2021 and 31.03.2023	Related Party Transaction is missing in board report	<p>As per the Board Report for the financial year ended 31/03/2021 and 31/03/2023 it is stated that there were no related party contracts under Section 188 of the Companies Act, 2013, and accordingly, Form AOC-2 was not attached. However, the Balance Sheet for the same period reflects that the Company had entered into related party transactions.</p> <p>Disclosure should be made in board report about the related party transaction.</p>
17.	18/08/2022 (Board Meeting)	Allotment 34,60,000 Shares under right issue and filing eform PAS 3 dated 18.08.2022.	<p>The Company allotted 34,60,000 equity shares on 18/08/2022 under a rights issue pursuant to Section 61(1)(a) of the Companies Act, 2013, to existing shareholders who are also Directors/promoters. The consideration for these shares was stated to be the conversion of their existing loans into equity shares.</p> <p>However, upon review of the Form PAS-3 dated 18/08/2022, the filing and the attached Board resolution refer solely to a rights issue. There are no explanatory notes or supporting documents submitted that explicitly indicate the conversion of loans into equity shares.</p> <p>Further, in Form PAS-3, under Point IV(4)(e), the relevant column related to loan conversion into equity shares remains unfilled, which requires disclosure in such cases.</p> <p>The Company has explained that a special resolution was passed as per the minutes dated 14/06/2025, and filed via e-form MGT-14 (SRN AB4634018), along with a loan agreement dated 11/01/2021 which provides that subject to prior members' approval, the Company can accept loans from its Director-shareholders with an option to convert or adjust such loans (secured or unsecured) into equity shares.</p>

			However, this option of loan conversion is not disclosed in the Board's report, the compliance report in Form MGT-8 for the financial year 2022-23, nor in the Auditor's report for 2023.
19.		A Limited Liability Partnership (LLP) cannot be considered or classified as a subsidiary company under the Companies Act.	<p>The Company holds a 90% interest in the following LLPs:</p> <ol style="list-style-type: none"> <li>1. MAH Textiles LLP**</li> <li>2. KR Solvent LLP</li> </ol> <p>As per section 2(87) of the Companies Act, 2013, a Limited Liability Partnership (LLP) cannot be classified as a subsidiary of a company. However, MAH Textiles LLP has initiated the process for conversion into a private limited company.</p>
20.	2022-2023	Information regarding the Extraordinary General Meeting is missing in Form MGT-8 for the financial year ended 31.03.2024	<p>In Certificate MGT-8 (attached with MGT-7 for the financial year ended 31.03.2023), Point No. 18 states that there was no alteration in the Memorandum of Association (MOA).</p> <p>However, this is incorrect, as the Company had increased its authorized share capital from ₹6 crore to ₹10 crore at the Extraordinary General Meeting held on 25.07.2022, thereby altering the capital clause of the MOA.</p>

*\* Note: As per the certificate issued by Limdi Nagarpalika bearing Seni Vashi No. 609/2017 dated 18/05/2017, and the declaration received from the Management of the Company vide letter dated 18/06/2025, a fire broke out at the Company's registered office premises on 27/04/2017. The fire affected various areas including the server room and resulted in the destruction of Secretarial Records — including all forms filed physically with the Registrar of Companies, Ahmedabad, share transfer forms, and other secretarial records for the period from 1995 to 2014.*

*\*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

We acknowledge that there were certain discrepancies in the records maintained by the Company. To prevent such incidents in the future, the Company has implemented a maker/checker system to ensure the accuracy of our filings. The Company has taken note of this discrepancy and assures that appropriate measures will be taken to rectify such clerical errors in future filings.

We are currently undertaking a detailed review of our past filings and records with the assistance of external professionals, with the objective of identifying and correcting discrepancies to the extent possible. We have also taken steps to improve internal compliance processes and documentation practices going forward. However, as some of the issues relate to historical periods and missing records, full rectification may not be feasible in all cases. Also, we are making reasonable efforts to enhance compliance and reduce the likelihood of similar lapses in the future.

**12. Negative remarks by the Statutory Auditor under CARO 2020 relating to discrepancies in stock statements may indicate lapses in financial reporting and could impact the Company's credibility.**

In the Company's Annual Reports for FY 2023–24 and FY 2022–23, the Statutory Auditor has reported a negative remark under Clause (ii)(b) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"). The Auditor stated that the quarterly returns and stock statements submitted by the Company to financial institutions and banks for the months of March 2024 and March 2023 were not in agreement with the books

of account. Additionally, the Auditor was unable to comment on the returns and statements for the remaining months of the respective financial years due to the unavailability of necessary details and documents for verification. Such discrepancies and lack of verifiable information may indicate deficiencies in internal controls or financial reporting practices. Any continued non-alignment between submitted returns and actual records may affect the Company's ability to secure or maintain credit facilities, invite regulatory scrutiny, and adversely impact its reputation and stakeholder confidence. The Company is working toward improving the documentation and availability of supporting records to enable better verification and auditability in the future. However, given the historical nature of some discrepancies, complete rectification of past inconsistencies may not be feasible.

**13. Reliance on internal management estimates and project report prepared by Chartered Accountant for objects of the issue in the absence of a TEV study.**

The Company has not conducted Techno-Economic Viability (TEV) study for the appraisal of its proposed project. In the absence of such an evaluation, the project appraisal is based primarily on management estimates and Project Report and corrigendum issued by Pranav R. Shah & Co. Chartered Account dated March 22, 2025 and June 20, 2025 respectively, which may not comprehensively capture potential technical, operational, or financial risks. Any incorrect assumptions or unforeseen challenges may adversely impact the successful implementation of the project and, consequently, our business operations, financial performance, and growth prospects. The Company intends to closely monitor the implementation of the project through periodic reviews and adopt corrective measures, if necessary, to address any emerging technical or financial challenges. However, in the absence of an independent TEV study, certain risks may still remain unassessed.

**14. Absence of credit ratings may affect investor confidence and access to capital**

As of the date of this DRHP, there are no outstanding credit ratings available for our Company or any of our subsidiaries. Credit ratings, when available, serve as an independent assessment of a company's creditworthiness and provide an additional layer of comfort to investors, lenders, and other stakeholders regarding the financial stability and risk profile of the entity.

In the absence of such ratings, potential investors and lenders may perceive a higher degree of uncertainty in evaluating our credit risk, which could affect their investment or lending decisions. Furthermore, the lack of credit ratings may limit our ability to access certain forms of debt financing or capital markets instruments, particularly those that require a minimum rating threshold for participation.

This may adversely impact our financial flexibility, cost of borrowing, and our ability to raise funds in a timely and efficient manner, which could, in turn, affect our operations, growth plans, and overall financial performance. The Company relies on internal financial discipline, prudent capital management, and cash flow monitoring to ensure continued financial stability and operational continuity.

**15. Non-receipt of Government Subsidy for MAH Textiles LLP\* may adversely impact its operations and financial performance.**

MAH Textiles LLP has submitted an application to the Office of the Industrial Commissioner, Government of Gujarat, seeking a government subsidy for the new project being undertaken by them, which is to be funded from the IPO proceeds of Milan Ginning Pressing Limited. As on the date of this Draft Red Herring Prospectus, no further communication has been received from the concerned authority regarding the approval or disbursement of the said subsidy. There can be no assurance that the Company will receive the subsidy within the expected timeline or at all. In the event the subsidy is not granted, MAH Textiles LLP may not be able to avail the intended financial support from the Government, which may adversely affect its cost structure, profitability, and overall business operations. The Company continues to actively follow up with the concerned government authorities to expedite the subsidy process and ensure timely compliance with applicable scheme requirements.

*\*MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

**16. High dependence on trading may adversely impact business operations and profitability**

Purchase of stock in trade comprises of a significant portion of cost of goods sold.

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Purchase of Stock in Trade	53,284.48	70,685.17	43,804.53	50,215.80
Total Cost of Goods Sold	62,436.34	85,060.67	64,950.92	70,400.76
Total Purchase of Stock in Trade as a percentage of Total Cost of Goods Sold (%)	85.34%	83.10%	67.44%	71.33%

Such a high dependence on trading exposes us to various risks, including price volatility of traded goods, fluctuations in demand, supply chain disruptions, and changes in government policies or duties related to trade. Any adverse developments affecting the trading segment could materially impact our revenue, margins, and overall financial performance. Additionally, reliance on trading rather than manufacturing may limit our control over quality and cost structures, making us more vulnerable to external market dynamics. We are exploring opportunities to diversify our product portfolio and improve value addition through manufacturing, which would help improve margins and reduce vulnerability to external market fluctuations.

**17. Dependence on a single manufacturing location in Gujarat may expose us to operational and business disruption risks**

All of our manufacturing operations are geographically concentrated in Limbdi, Gujarat, which, while allowing us to streamline production and optimize operational efficiency, exposes us to significant concentration risks. Any disruption at this single location—whether due to power outages, fire hazards, natural disasters, machinery breakdowns, industrial accidents, social unrest, or unforeseen regulatory constraints—could severely impact our ability to maintain uninterrupted production and timely fulfilment of customer orders. As we do not currently operate any alternative manufacturing sites, such events could lead to temporary or prolonged suspension of operations, increased production and recovery costs, delays in deliveries, and potential loss of revenue. Additionally, operational disruptions may damage our customer relationships, diminish market confidence, and weaken our competitive positioning. Our production processes also involve inherent safety risks, and any industrial accident could result in injury to personnel, property damage, regulatory penalties, reputational harm, and legal liabilities. Collectively, these factors may materially and adversely affect our business continuity, financial performance, and long-term growth prospects. While we currently do not have an alternate manufacturing site, the management continues to evaluate the feasibility of setting up additional or auxiliary facilities in the future to diversify geographic risk.

**18. Our company, along with its subsidiaries, has obtained unsecured loans that can be recalled by the lenders at any time.**

As of December 31, 2024, an outstanding amount of ₹769.86 lakhs is due to our Directors, Promoters, or their relatives. Since there are no formal agreements governing these loans, lenders may request repayment



at short notice. If such a demand arises, our company may need to secure alternative financing, which may not always be available on favourable terms or at all. The inability to arrange replacement funding in a timely manner could strain our cash flows, disrupt business operations, and negatively impact our financial stability. Furthermore, the unpredictability associated with unsecured loans poses a potential risk to our liquidity and long-term financial health. Over time, the Company intends to reduce reliance on such unsecured loans by exploring more formalised funding arrangements and strengthening its internal accruals. However, the risk of short-notice repayment cannot be entirely ruled out. For more details on our unsecured financing arrangements, please refer to the chapter titled “FINANCIAL INDEBTEDNESS” on page no. 260 of the DRHP.

**19. Pending statutory approvals for the project under MAH Textiles LLP may lead to delays and operational challenges.**

As on the date of this DRHP, the requisite government approvals and clearances for the said project are yet to be obtained, except for a provisional approval from the Pollution Control Board (PCB). The timely receipt of such statutory and regulatory approvals is critical for the execution and operationalization of the project. Any delay or inability in securing these approvals may result in cost overruns, delays in commissioning, or even potential legal or regulatory challenges. This may adversely affect the business operations, financial performance, and growth prospects of the subsidiary and, consequently, of the Company. The activities related to project planning and preliminary groundwork are being undertaken to minimise delays in implementation. While the timeline for receipt of approvals is subject to regulatory discretion, every effort is being made to expedite the process and minimise potential disruptions to the project schedule.

**20. Delays in payment to MSME suppliers may result in financial penalties and could adversely impact the Company’s business operations.**

As per the disclosures made in the MSME Form I filed by the Company, it has been observed that certain payments to Micro, Small and Medium Enterprises (MSME) suppliers were made beyond the stipulated period of 45 days, as mandated under the Micro, Small and Medium Enterprises Development Act, 2006. Any continued delay in settling dues to MSME creditors may expose the Company to liability in the form of interest payments and penalties as prescribed under the applicable laws. Moreover, such delays may strain relationships with MSME vendors, potentially disrupting the Company’s supply chain and adversely impacting its operations, reputation, and financial condition. Efforts are being made to streamline internal approval workflows and improve cash flow forecasting to prioritise payments to MSME vendors within the statutory timelines. The Company also engages in regular communication with its MSME suppliers to maintain transparency and preserve long-term business relationships. While occasional delays may still occur due to operational or financial constraints, the Company is committed to reducing such instances and improving overall compliance with the MSME payment norms.

**21. Thin profits/Financial losses incurred by our group entities may adversely impact our reputation and perceived group strength.**

Our group entities have reported thin profit margins and incurred financial losses in the past. Although some of the entities are in early stages of development and we are actively working towards scaling its operations and improving profitability, there is no assurance that these efforts will yield the desired results within the expected timeframe. Continued financial underperformance by these group entities may adversely affect the overall perception of our group’s financial health, business acumen, and management capabilities. We remain dedicated to scaling the company’s operations, enhancing revenue streams, and driving profitability. While we are actively implementing strategies to achieve these objectives, there is no absolute guarantee that our efforts will yield the desired financial outcomes. Thin profit margins or financial losses may adversely affect our reputation and the perceived strength of our group. Below is the table.

(₹ in Lakhs)

Particulars	Standalone
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	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Sustainable Spinning And Commodities Private Limited - Associate Concerns	120.14	140.53	244.59
Sustainable Knitting LLP-Associate Concerns-PAT	23.79	7.97	(95.91)
Sustainable Smart Wear Private Limited-Associate Concerns-PAT	(11.26)	0	N/A

**22. Lower profitability margins may adversely affect the Company's financial resilience and competitiveness.**

The Company operates at relatively thin Profit After Tax (PAT) and EBITDA margins for the financial years 2021–22, 2022–23, 2023–24 and the stub period ended December 31, 2024. Operating at low profitability levels may limit the Company's ability to absorb cost escalations, invest in growth initiatives, withstand market fluctuations, or respond effectively to competitive pressures. Furthermore, sustained low margins may impact investor perception, valuation, and the Company's ability to attract external financing on favourable terms. There can be no assurance that the Company will be able to improve its margins in the future or maintain operational efficiency.

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Revenue from Operations	66,468.52	90,188.41	68,275.02	73,492.43
EBITDA	1,655.22	2,140.20	1,434.98	527.82
EBITDA Margin (%)	2.49%	2.37%	2.10%	0.72%
Profit After Tax	792.08	1151.11	641.44	216.09
PAT Margin (%)	1.19%	1.28%	0.94%	0.29%

The Company is taking steps to improve operational efficiency and optimise cost structures through better procurement planning, increased automation, and tighter control over overheads. In addition, efforts are underway to enhance the product mix, focus on higher-margin segments, and explore new domestic and export markets to boost overall profitability.

**23. Shared use of registered office premises with our subsidiaries and group companies may result in operational interdependencies and potential conflicts of interest**

We share a portion of our registered office premises with certain subsidiaries and entities forming part of our Promoter Group. As these premises are used jointly, there may be limited physical demarcation and overlapping use of infrastructure, personnel, and other resources. This arrangement could lead to potential conflicts of interest, especially in matters relating to confidentiality, resource allocation, or operational priorities. Additionally, any disruptions, disputes, or compliance issues involving the shared premises or other occupants may indirectly impact our day-to-day operations. The Company has implemented internal protocols to manage the shared use of office space, including the segregation of key functions and restricted

access to confidential information. Wherever feasible, operational activities, personnel, and infrastructure are functionally delineated to avoid overlap and reduce the risk of conflict or misuse.

**24. Our success is largely driven by the expertise and leadership of our senior management and key personnel, making their retention and ability to attract top talent crucial to our continued growth.**

We rely heavily on their experience, strategic decision-making, and industry knowledge to navigate challenges and drive business performance. The loss of any key member of our leadership team could disrupt operations, hinder strategic initiatives, and negatively impact our long-term objectives. Additionally, the industry is highly competitive, and securing skilled senior management professionals can be challenging. If we are unable to retain our existing leadership or attract new high-calibre talent, our ability and motto of sustainable growth may be compromised. The Company plans to retain key members of its leadership team by fostering a supportive and growth-oriented work environment, offering competitive compensation, and providing opportunities for professional development.

**25. Our manufacturing operations rely significantly on the availability of both skilled and unskilled labour.**

The production cycle of our products to some extent involves labour-intensive production process, hence, maintaining an adequate workforce is essential for ensuring smooth and efficient operations. Managing a large workforce requires effective oversight and fostering a positive work environment to maintain productivity and operational stability. Any shortage of skilled or unskilled labour, whether due to external factors such as workforce migration, industry demand fluctuations, or socio-economic conditions, could disrupt our production capabilities. Additionally, labour disputes, conflicts with management, or disruptions due to regulatory changes in labour laws may negatively impact our operations, potentially leading to delays, increased costs, or reduced output. The Company maintains ongoing engagement with its workforce and strives to foster a positive and compliant work environment. We also work with local labour to maintain a steady supply of both skilled and unskilled labour as needed.

**26. We face substantial competition in the textile business, both from Indian and international companies, which may adversely affect our revenues.**

We operate in a highly competitive environment, both in the Indian textile industry and international markets, where we face strong competition from established players and new entrants, particularly in the cotton yarn. Globally, we compete with large, vertically integrated, and financially stronger companies from countries, which benefit from greater production capacity, pricing flexibility, and broader market reach. Key competitive factors such as pricing, product quality, customer service, and innovation significantly influence our market position. Our inability to effectively compete on these parameters may lead to the loss of customers, reduced market share, lower operating margins, and an adverse impact on our revenue and profitability. Moreover, increased competition may limit our ability to pass on rising input costs to customers, further affecting our financial performance. There is no assurance that we will be able to sustain our competitive advantage in the face of such domestic and global competition. Our Company is putting efforts on delivering consistent product quality, maintaining cost efficiency, and offering reliable customer service to strengthen client relationships and differentiate itself in a competitive market.

**27. Both our raw materials and finished products are highly flammable, posing a significant fire hazard at various stages of our operations.**

Any fire-related incident at our factory or storage facilities could severely disrupt our business activities and negatively impact our profitability. Cotton, being highly combustible, presents a persistent risk throughout its lifecycle—from procurement and processing to storage, transportation, and trading. The risk is further heightened by increased automation and the extensive use of machinery for material handling, where even a minor spark could ignite a fire, potentially spreading rapidly through cotton-conveying systems and affecting other equipment. To mitigate these risks, we maintain comprehensive fire and peril insurance policies covering our buildings, plant and machinery, inventory, raw materials, and office equipment at our production facilities. However, despite these precautions, the possibility of fire-related incidents remains a critical operational risk.

**28. Dependence on core product sales exposes us to Market Volatility and Operational Risks.**

A substantial portion of our revenue is derived from the sale of our core products cotton bales, cotton yarn and open end yarn across both domestic and export markets. Over the years, these products have emerged as the primary revenue drivers for our business. However, our heavy reliance on these key product lines exposes us to several risks that could impact our financial performance and overall business sustainability. Any decline in demand for cotton-based products, whether due to changing consumer preferences, evolving industry trends, or the introduction of cost-effective synthetic alternatives, could significantly impact our sales volumes and revenue streams. Additionally, intensified competition from domestic and international producers, technological advancements in textile manufacturing, and fluctuations in the availability and pricing of raw materials may further exacerbate these risks. We strive to maintain the quality and consistency of our core products while exploring opportunities to diversify our product portfolio and enhance value-added offerings.

**29. Impact of regulatory changes, environmental compliance, and industry cyclicality on our business operations and export eligibility**

Our business is subject to a wide range of regulatory and industry-related risks, including frequent changes, local and central revenue policies, and industry-specific guidelines. Amendments to import duties, trade policies, environmental norms, tax laws such as GST and income tax, or the withdrawal of sector-specific exemptions and export incentives may lead to increased compliance costs, operational restrictions, or impact our cost structure and pricing strategies. Moreover, the inherently cyclical nature of the textile industry driven by global economic conditions, fashion trends, and consumer preferences exposes us to fluctuations in demand, which may adversely affect our revenue and profitability.

We are also required to comply with various EHS regulations, including those issued by the Gujarat Pollution Control Board (GPCB), State Pollution Control Boards (SPCBs), and other statutory authorities. These pertain to air emissions, water usage, wastewater discharge, solid waste disposal, and workplace safety. Failure to obtain, maintain, or renew necessary environmental clearances, consents to establish (CTE) and operate (CTO), or comply with prescribed standards may result in penalties, operational shutdowns, or legal proceedings. Compliance necessitates ongoing capital and operational expenditure for pollution control infrastructure, training, audits, and monitoring systems. Any tightening of these norms or stricter enforcement could significantly increase our compliance burden and adversely impact operational flexibility. Furthermore, delays in input tax credit refunds or retrospective tax demands under evolving tax regimes could result in working capital constraints. Collectively, these factors may adversely affect our business operations, financial condition, cash flows, and future growth prospects. The Company makes reasonable efforts to stay informed of evolving regulatory requirements and industry developments. We aim to address regulatory changes proactively by updating our internal policies and procedures as needed, and by maintaining timely coordination with relevant authorities for approvals and renewals.

**30. Any delay in the completion of the Issue may result in a corresponding delay in achieving its intended objectives, which could, in turn, impact our revenues and overall financial performance.**

The funds raised through this Issue are intended to be utilized as outlined in the chapter titled “OBJECTS OF THE OFFER” on page no. 106 of this Draft Red Herring Prospectus. The proposed implementation timeline for these objectives is based on management’s estimates and strategic planning. However, unforeseen circumstances, regulatory hurdles, market conditions, or operational challenges could lead to deviations from the planned schedule. Any such delay, whether due to external factors or internal constraints, could hinder the timely execution of our growth initiatives, potentially affecting our business expansion, cash flows, and profitability. Ensuring the smooth and timely completion of the Issue is critical to achieving our strategic goals and sustaining operational efficiency. The Company intends to monitor the progress of implementation closely and adjust timelines, priorities, or resource allocations as needed to respond to any delays or unforeseen challenges.

**31. Our trademark is not yet registered and is subject to further regulatory approvals**

Our Company has applied for the registration of its trademark under Application No. 6592257, which is currently at the stage of “Formalities Check Pass” as of June 25, 2025. As on date, the trademark is not registered. There can be no assurance that the trademark registration will be granted in a timely manner or at all, or that it will not be opposed by third parties. Failure to secure trademark registration may limit our ability to protect our brand identity and could adversely impact our competitive position, brand value, and business operations. We are actively pursuing the registration process for our trademark and are prepared to address any regulatory or third-party objections promptly. We also maintain operational safeguards to protect our brand identity through consistent quality and market presence until formal registration is secured.

**32. Non-Formation of Internal Complaints Committee ("ICC") may expose us to regulatory non-compliance and reputational risk**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, every employer is required to constitute an Internal Complaints Committee ("ICC") at each office or branch employing 10 or more employees to address complaints of sexual harassment. This may be viewed as a non-compliance with applicable labour laws and could expose us to regulatory scrutiny, penalties, or directions from authorities. Moreover, the absence of such a mechanism may be perceived as a lapse in our internal governance and employee grievance redressal systems, potentially impacting employee trust, workplace culture, and our reputation. Our Company has been actively seeking a qualified NGO representative to constitute the ICC, as required under applicable law. Due to the unavailability of a suitable candidate, the formation of the committee has been delayed. However, the Company remains committed to full compliance and will constitute the ICC promptly upon identifying and appointing an eligible NGO member.

**33. Our business relies heavily on the continuous operation of our production facility, and any disruption, shutdown, or loss of operations—whether due to internal or external factors—could have a significant adverse impact on our business and financial performance.**

Our production facilities are exposed to various operational risks, including equipment failure, power outages, suboptimal production efficiency, raw material shortages or quality issues, technological obsolescence, and compliance with evolving industry and safety standards. Additionally, labour disputes, strikes, lockouts, unavailability of external contractors, natural disasters such as earthquakes, social unrest, and industrial accidents pose further risks to our operations. Certain factors may be beyond our control, and we are also required to adhere to regulatory directives issued by relevant government authorities. While we implement precautionary measures to mitigate potential operational disruptions, any unforeseen interruption in our production facilities could materially affect our financial condition, operating results, and the market value of our equity shares. We maintain preventive maintenance and safety protocols at our facilities while exploring measures to strengthen supply chain resilience and ensure operational continuity.

**34. Our operations could be significantly impacted by strikes, work stoppages, increased wage demands, or other forms of industrial unrest involving our employees or the workforce of our contractors.**

While we have not faced such disruptions in our production units to date, there is no assurance that similar challenges will not arise in the future. Should our workforce unionize, collective bargaining efforts could demand increased managerial attention and potentially lead to higher operational costs. Inability to negotiate favourable wage agreements with unionized employees may result in strikes or work stoppages, further disrupting our business activities. Additionally, any shortage of skilled and experienced labour due to industrial disputes could hinder our production efficiency and negatively impact our financial performance. Furthermore, under Indian labour laws, we may be liable for wage payments, benefits, and amenities for "daily wage" workers. Any legal requirement to fulfil such obligations or absorb a significant portion of these workers into our permanent workforce could increase our financial burden, adversely affecting our business operations and overall financial condition. We maintain cordial industrial relations and proactive communication with our employees and contractors to minimise the risk of disputes. We have established internal grievance redressal mechanisms and follow fair employment practices to address workforce concerns promptly. We also ensure compliance with applicable labour laws and regularly monitor our workforce policies to mitigate the risk of operational disruptions arising from industrial unrest.

**35. Absence of independent appraisal of working capital requirements may affect fund utilisation and financial planning**

Our Company has not carried out any independent appraisal of its working capital requirements. The estimation of working capital needs has been made internally without validation from a third-party expert or financial institution. This may lead to inaccurate assessment of fund requirements, resulting in under- or over-utilisation of proceeds from the Offer. Any mismatch in the estimation and actual working capital needs could adversely affect our operations, liquidity position, and ability to achieve the intended business objectives from the funds raised. We have based our working capital estimates on our historical trends and current operational requirements while maintaining flexibility in fund deployment. We will monitor our working capital needs regularly to ensure efficient utilisation of Offer proceeds in alignment with business objectives.

### 36. Outstanding receivables may adversely impact our liquidity and financial performance

We have receivables that are outstanding from our debtors, and any delay or failure in the timely realization of these dues may have a material adverse effect on our cash flows, working capital cycle, and overall liquidity. Our dependence on timely collections from customers is critical to sustaining daily operations and meeting financial obligations. Prolonged delays or defaults in payments could result in increased credit risk, provisioning requirements, and may adversely impact our reputation, business operations, and financial condition. Below table shows the agewise details of outstanding receivables:

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>	<b>2,505.73</b>	<b>1,454.80</b>	<b>573.75</b>	<b>1,280.88</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0.00	0.00	0.00	0.00
Others	2,505.73	1,454.80	573.75	1,280.88
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>	<b>13,897.44</b>	<b>11,992.18</b>	<b>6,188.85</b>	<b>6,947.60</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0.00	0.00	0.00	0.00
Others	13,897.44	11,992.18	6,188.85	6,947.60
<b>Total</b>	<b>16,403.17</b>	<b>13,446.98</b>	<b>6,762.60</b>	<b>8,228.48</b>

We are exposed to counterparty credit risk arising from our customers' ability and willingness to meet their payment obligations. Any delays in receiving payments or non-receipt of dues from customers could strain our working capital, disrupt cash flows, and adversely affect our financial condition. Persistent or significant defaults may also impact our profitability, limit our ability to fund ongoing operations, and hinder overall business performance and growth

### 37. Our financial performance may vary significantly between fiscal periods, making period-to-period comparisons difficult.

Our revenues and expenses may fluctuate significantly between fiscal periods due to various factors such as seasonality in demand, changes in raw material prices, timing of order execution, foreign exchange rate fluctuations, and shifts in customer preferences. As a result, it may be difficult to make meaningful comparisons of our financial performance across different reporting periods. These variations may also affect the predictability of our results and could impact investors' ability to accurately assess our growth trajectory

and financial condition. We manage seasonality and demand fluctuations through flexible production planning and prudent inventory management. We also monitor market trends and customer preferences to align operations accordingly, supporting consistency in our financial performance across reporting periods.

**38. Use of Non-GAAP and industry-specific measures may limit comparability with other companies.**

We have included in this DRHP certain non-GAAP financial and operational measures, as well as certain industry-related metrics, that are used to evaluate aspects of our operations and financial performance. These measures are based on internal methodologies, assumptions, and estimates, and may not be standardized or comparable to similar measures presented by other companies in our industry. As a result, reliance on such metrics may limit investors' ability to make accurate comparisons and informed investment decisions. Additionally, there is no assurance that these measures provide a complete or reliable representation of our actual financial condition or operating performance. We disclose non-GAAP and industry-specific measures with clear definitions and reconciliations to GAAP figures where applicable to ensure transparency. We encourage investors to consider these measures alongside our audited financial statements for a balanced assessment of our performance.

**39. Raw materials and finished goods stored at our factory premises are subject to deterioration and colour fading, which may lead to inventory losses**

Raw unprocessed cotton, cotton bales, yarn, products are organic that are susceptible to quality deterioration over time, particularly when exposed to environmental factors such as moisture, humidity, and temperature variations. Prolonged storage or inadequate handling may lead to issues such as discolouration, fibre degradation, mould growth, musty odour, and microbial contamination, ultimately reducing the commercial value and usability of the goods. The raw materials and finished products stored at our factory premises are particularly vulnerable to such deterioration, colour fading, or quality degradation due to suboptimal storage or prolonged retention. Any such decline in quality may result in inventory losses, rejection of goods, increased wastage, or the need for reprocessing, thereby increasing our cost of production and adversely affecting profitability. Inability to manage and maintain inventory effectively could impact our operational efficiency, customer satisfaction, and financial results. We follow stringent inventory management practices, including proper storage, regular quality checks, and timely rotation of stock to minimise the risk of deterioration or colour fading. These measures help ensure the preservation of raw materials and finished goods, reducing wastage and supporting operational efficiency.

**40. Our Company will not receive any proceeds from the offer for sale portion of the offer**

The proceeds from the Offer for Sale component of the Offer shall be received directly by the Promoter Selling Shareholder, and we will not receive any part of such proceeds. Consequently, the Offer for Sale will not result in any capital infusion into the Company. As a result, the Company will not benefit from the Offer for Sale in terms of funding its operations or future growth plans, and investors should not assume that the proceeds from this portion of the Offer will be used for the Company's business purposes. The Offer for Sale is being undertaken to facilitate a partial exit for our Promoters and to achieve the benefits of listing. Our Company will continue to rely on the proceeds from the Fresh Issue and internal accruals to fund its business operations and growth plans.

The details of Offer for sale are set out below:

Name of the Selling Shareholder	Type	Equity Shares of face value of ₹ 10 each held as of date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital	Amount
Mohammadhasnein Husenali Narsinh	Promoter	56,17,500	1,86,250	34.00	[. ]
Husenali Yusufali Narsinh	Promoter	56,16,975	1,86,250	34.00	[. ]

**41. Average cost of acquisition of equity shares by our promoters and Promoter Selling Shareholder is lower than the offer price**

The average cost of acquisition of Equity Shares by our Promoters and the Promoter Selling Shareholder is lower than the Offer Price. As a result, they may realize substantial gains on any sale of Equity Shares in the Offer. Investors in the Offer may therefore be exposed to the risk of a potential disparity in cost and returns, and there can be no assurance that the market price of the Equity Shares will not decline post-Listing, which may adversely affect the investment value for new investors. Our Promoter's average cost of acquisition of Equity shares in our Company is as follows:

S. No.	Name of Promoter	No. of Equity Shares Held	Average Cost of Acquisition per equity share (in ₹)
1.	Mohmmadhasnein Husenali Narsinh	56,17,500	2.76
2.	Husenali Yusufali Narsinh	56,16,975	4.73

The lower average acquisition cost for our Promoters reflects their early-stage investment and commitment to the Company's growth. Investors are encouraged to consider the Company's fundamentals, future prospects, and the benefits of listing when evaluating their investment decisions.

**42. We may require additional financing in the future, which may not be available on favourable terms or at all**

In order to support the growth and expansion of our business, we may require additional equity or debt financing in the future. Our current financing is around ₹ 10,317.63 Lakhs (from equity ₹ 4,840.08 and Debt ₹ 5,477.55 lakhs). However, there can be no assurance that such financing will be available to us on favourable terms, in a timely manner, or at all. Our inability to raise additional funds, if and when required, could adversely affect our ability to pursue strategic opportunities, meet working capital requirements, or manage unforeseen expenses. Further, any additional equity infusion may dilute existing shareholders, while additional debt may increase our financial leverage and debt servicing obligations, thereby impacting our financial condition, cash flows, and results of operations.

As our business continues to grow, we may require additional financial resources to support expansion, technological upgrades, working capital needs, or other strategic initiatives. Raising funds through the issuance of new equity shares or convertible securities could result in the dilution of existing shareholders' ownership and may be undertaken on terms that are not necessarily favourable to them, potentially reducing their proportional interest in the Company. Alternatively, availing funding through debt instruments or loans would increase our financial liabilities, including interest and repayment obligations, which could strain our cash flows, reduce financial flexibility, and limit our ability to efficiently allocate resources. A higher debt burden may also impact our profitability and constrain our capacity to declare and distribute dividends, thereby affecting shareholder returns. We carefully evaluate our funding requirements and explore multiple financing options to support our growth while maintaining financial discipline. We aim to balance equity and debt to optimise our capital structure, minimise dilution, and ensure that any additional financing aligns with our long-term strategic objectives.

**43. Non-availability of multiple quotations and non-placement of purchase orders may affect the transparency and accuracy of cost estimates**

Our Subsidiary, MAH Textiles LLP has obtained only a single quotation for procurement or cost estimation purposes for the proposed project, setting up of machinery etc. The absence of multiple quotations may impact the transparency, competitiveness, and reliability of the cost benchmarks used for determining the estimated project or procurement costs. This could lead to questions regarding the reasonableness of pricing, and any deviation from standard procurement practices may affect the credibility of our disclosures and may have implications on fund utilisation, cost efficiency, or regulatory compliance.

The Company is yet to place firm purchase orders for the proposed capital expenditure (capex) and is currently relying solely on vendor quotations for estimating the capex requirements. There is no assurance that the actual costs incurred will align with the quoted prices, especially in light of potential market fluctuations, changes in specifications, or delays in order placement. Any significant deviation from the



estimated costs may lead to budget overruns, affect the intended use of IPO proceeds, and delay the implementation of the project. This could adversely impact the Company's business operations, financial condition, and projected timelines.

We intend to seek additional vendor quotations and conduct market validations before finalising procurement to ensure transparency and cost efficiency. We will also closely monitor price movements and procurement timelines to manage project costs effectively and ensure prudent utilisation of IPO proceeds.

**44. The property on which our MAH Textiles LLP's project is proposed to be developed is on leasehold basis**

The property on which our proposed project for MAH Textiles LLP\* is to be developed is held on a leasehold basis. As we do not own the land, our rights are subject to the terms and conditions of the lease agreement, including its tenure, renewal terms, and compliance obligations. Any termination, non-renewal, or breach of the lease terms could adversely affect our ability to complete, operate, or derive intended benefits from the project. Further, the leasehold nature of the property may also impose limitations on its use or restrict our ability to raise financing against the asset, which could have a material adverse impact on our operations, asset ownership, and financial position.

We have secured a long-term lease agreement with clear renewal terms and compliance provisions to safeguard our rights over the project land. We ensure adherence to lease conditions to mitigate the risk of termination or disputes and will explore financing options compatible with the leasehold nature of the property to support the project.

*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

**45. Mismatch in address details, including pin code, of our promoter across official documents may raise KYC and compliance-related concerns**

There are inconsistencies in the spelling of the names, address details including the PIN code, of our Promoter across various official records and documents submitted to regulatory authorities. Also, members of our Promoter group Mukadam Fazila Abbasali and Dosani Masumaben does not have Pan cards. Such discrepancies may lead to KYC-related issues, delays in regulatory approvals, or questions during due diligence or verification processes. While we believe these are clerical in nature, any unresolved mismatch may raise concerns regarding the accuracy and completeness of due diligence and disclosures and could potentially impact our compliance status, reputational standing, or ability to meet statutory requirements in a timely manner.

We are taking steps to rectify discrepancies in our Promoter's address and documentation details and are in the process of obtaining PAN cards for relevant Promoter Group members. We are committed to ensuring KYC and compliance requirements are fully met to avoid any regulatory or due diligence concerns.

**46. Our Company has certain outstanding litigations against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.**

Our subsidiary i.e. K R Solvent LLP is involved in ongoing litigation with the Deputy Commissioner of Income Tax, Surendranagar Circle, for an assessment year, with a demand notice of ₹ 3,61,470 issued on February 5, 2024. Although the subsidiary has filed rectifications, which are currently pending before the authority, we do not have a copy of the relevant documents related to this case. We cannot assure you that the outcome of this litigation will be favourable. Furthermore, the lack of documentation may also impact our ability to accurately assess the potential financial impact of this litigation on our business, financial condition, and results of operations.

We monitor and address all pending litigations through timely legal actions and professional advice to mitigate potential adverse outcomes. We are in the process of retrieving and maintaining complete documentation for ongoing cases to assess financial impact accurately and remain committed to complying with legal and regulatory requirements.

A summary of outstanding matters set out below includes details of civil proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Directors, Promoters, Group Entities, KMPs and SMPs as at the date of this Draft Red Herring Prospectus.

(₹ in Lakhs)

<b>Name of Entity</b>	<b>Criminal Proceedings</b>	<b>Tax proceedings</b>	<b>Statutory/Regulatory proceedings</b>	<b>Disciplinary actions by the SEBI or stock Exchanges against our Promoters</b>	<b>Material civil litigations</b>	<b>Aggregate amount involved (to the extent ascertainable) (₹ in Lakhs)</b>
<b>Company</b>						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors and Promoters</b>						
By our Directors and Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors and Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>						
Litigation involving our Group Entities	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
Litigation involving our Subsidiaries	Nil	3	Nil	Nil	Nil	4.24
<b>KMP and Senior Management</b>						
Criminal proceeding involving KMP & SMP	Nil	1	Nil	Nil	1	2.42

#### **47. Lack of formal corporate culture and professional management structures**

Milan Ginning Pressing Limited is a family-managed business with significant decision-making concentrated among the promoter group. While this structure has enabled agility and continuity, it may also limit the development of a formal corporate governance framework and structured decision-making processes typically found in professionally managed organizations.

The absence of an independent and diversified management team may affect the Company's ability to attract professional talent, implement scalable operational systems, and establish robust internal controls. This could

potentially hinder the Company's ability to adapt to evolving regulatory, operational, and competitive challenges in a dynamic business environment.

Furthermore, reliance on a closely held leadership structure may expose the Company to succession planning risks and may not align with the expectations of institutional investors or regulatory bodies over the long term.

We plan to professionalize our board by appointing independent directors to introduce structured decision-making, accountability, and objective oversight.

**48. Failure to acquire new customers or to do so cost-effectively may adversely impact our revenue growth and profitability**

Our ability to increase revenue and maintain profitability is significantly dependent on our ability to acquire new customers and expand our customer base in a cost-effective manner. If we are unable to attract new customers due to increased competition, ineffective marketing strategies, shifting consumer preferences, or other external factors, our business growth could be adversely affected. Further, if the cost of acquiring customers increases disproportionately to the revenue generated from them, it may result in lower margins and reduced profitability, which could adversely impact our financial performance and long-term sustainability.

We will reduce our customer acquisition cost by prioritizing high-return channels such as referrals, retargeting, and content marketing, while also leveraging our strong domestic and international broker network and active participation in industry seminars to tap into trusted relationships and generate leads efficiently.

**49. Our ability to maintain stringent quality standards is crucial to sustaining our business growth, operational success, and financial stability.**

We distinct ourselves from our competitors by leveraging on our high-quality standards, and we ensure that our products meet customer expectations and industry benchmarks. However, evolving technological advancements and shifting consumer preferences require continuous adaptation and innovation. If we fail to keep pace with these changing demands or do not meet the expected quality standards, it could lead to customer dissatisfaction, loss of market share, and reputational damage. Additionally, any inability to align our production processes with evolving quality requirements could result in increased product rejections, higher returns, and diminished customer trust. Failure to meet consumer expectations consistently may negatively impact our sales, profitability, and overall financial health, making it imperative for us to continuously enhance our quality assurance processes and stay ahead of industry trends.

**50. Our order book may not be fully realisable, which could adversely affect our business, financial condition, and results of operations**

While our order book reflects confirmed customer orders, there is no assurance that we will be able to realise the full value of these orders, either partly or at all. Execution of these orders is subject to various factors including customer cancellations or delays, changes in scope, pricing renegotiations, supply chain disruptions, or force majeure events. Any inability to execute or collect against these orders may adversely impact our projected revenues, cash flows, and profitability. Consequently, such shortfalls may materially and negatively affect our business outlook, reputation, and financial condition.

We closely monitor our order book and maintain regular communication with customers to manage delivery schedules and scope changes effectively. We also evaluate customer creditworthiness and include contractual safeguards to minimise cancellations and pricing risks, ensuring better realisation of our order book and protecting revenue predictability.

**51. Our actual results may differ materially from estimates and projections used in our financial statements**

The preparation of our financial statements involves the use of estimates, judgments, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities. These estimates are inherently uncertain and are based on historical experience, current trends, and various other factors that may change over time. As a result, our actual results may differ materially from those reflected in such estimates and

projections, which could lead to adjustments in future periods. Any such differences may impact investors' assessment of our financial condition and operating performance.

We follow prudent accounting practices and regularly review our estimates based on updated data and market conditions to ensure accuracy in our financial statements. We also engage statutory auditors to review our financials, helping minimise material deviations between estimates and actual results.

## **52. Contingent liabilities and commitments may adversely impact our financial position**

As of the date of this DRHP, we have certain contingent liabilities and commitments disclosed in our financial statements, refer RESTATED FINANCIAL STATEMENTS at page no. 241. While these are not currently reflected as actual liabilities on our balance sheet, they represent potential obligations that may arise in the future depending on the outcome of uncertain events. If any of these contingent liabilities materialise or if the Company is required to fulfil any significant commitments, it could result in cash outflows, increased financial burden, or adverse accounting implications. This, in turn, may impact our liquidity position, profitability, and overall financial condition. There can be no assurance that such obligations will not arise or that we will have adequate resources to meet them without affecting our operations.

## **53. High working capital requirements may strain our liquidity and impact operations**

Our business operations are subject to significant working capital requirements, primarily due to the nature of our industry, procurement cycles, high trade receivables and inventory holding periods. To support our day-to-day operations, we rely on internal accruals, cash flows from operations, and credit facilities from financial institutions. Any inability to maintain adequate cash flows or secure timely and sufficient funding whether through working capital borrowings or other financial support could impair our ability to meet operational expenses, pay debts, or fulfil financial obligations. This may result in delays in production, disruption in supply chain, increased financing costs, or an adverse impact on our profitability and overall financial performance. Persistent working capital constraints could also limit our ability to pursue growth opportunities and may negatively affect our reputation with suppliers and creditors.

We closely monitor our working capital cycle and maintain adequate credit lines to support operational liquidity. We optimise inventory levels and receivables management to ensure smooth cash flows, enabling us to meet financial obligations and sustain business operations effectively.

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

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

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

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

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade Payables / Creditors	17,823.64	14,584.79	7,608.19	10,201.77

**55. Restrictive covenants imposed by lenders may limit our operational and financial flexibility**

We are subject to various restrictive covenants under the terms of the loans, credit limits, and other banking facilities availed from banks and financial institutions. These covenants may include conditions related to maintaining certain financial ratios, restrictions on additional borrowings, capital expenditures, dividend distributions, or undertaking new projects without prior approval. Non-compliance with these covenants, whether actual or perceived, could result in the lenders accelerating repayment obligations, imposing penalties, or revoking credit facilities. Such restrictions may limit our ability to operate freely, respond to market opportunities, or manage our business as per strategic objectives, thereby adversely affecting our financial condition and growth prospects.

We monitor compliance with lender covenants closely and maintain regular communication with our lenders to address any potential issues proactively. We plan our operations and financial activities to align with these covenants, ensuring continued access to credit facilities while supporting our strategic objectives.

**56. Inadequate insurance coverage and exposure to product liability claims may adversely affect our financial condition and reputation.**

The Company is exposed to various risks related to inadequate insurance coverage and potential product liability claims, which could adversely affect its financial condition, operational stability, and reputation. While we maintain insurance policies aligned with industry standards, there is no assurance that such coverage will be sufficient to protect against all potential losses. In the event of significant damage to our facilities, prolonged operational disruptions, or major claims, our insurance may not fully cover the financial impact, and any uninsured or underinsured loss could materially affect our business performance.

Notably, the Company does not currently maintain insurance coverage for cash held at its premises or in transit. In the absence of such protection, any loss arising from theft, burglary, misappropriation, or other unforeseen events may lead to direct financial losses, which the Company would have to bear entirely. This could be particularly detrimental if the loss is material and may be perceived as a lapse in risk management, potentially undermining stakeholder confidence.

Additionally, we face exposure to product liability claims that may arise due to defects in the quality, performance, or safety of our products. While certain liabilities are insured, there is no guarantee that such coverage will be adequate or available in the future on commercially reasonable terms. Any successful product liability claim not fully covered by insurance could result in substantial legal costs, compensation payouts, and reputational harm, which may erode customer trust and adversely impact our revenue and brand image.

We maintain insurance coverage in line with industry practices and periodically review our policies to address emerging risks. We also uphold strict quality control measures to minimise product liability exposure and are exploring additional insurance coverage, including for cash in transit, to strengthen our risk management framework.

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

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

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

**58. Inability to effectively source business opportunities may impact our growth and financial performance**

Our ability to achieve our financial and strategic objectives is dependent on effectively identifying, sourcing, and executing business opportunities in a timely and efficient manner. Failure to do so whether due to market competition, lack of timely information, operational constraints, or strategic missteps may limit our growth, affect revenue generation, and hinder the achievement of our financial targets. If we are unable to consistently secure and convert viable business opportunities, it may adversely impact our market position, profitability, and long-term sustainability.

We actively monitor market trends and maintain strong industry networks to identify and secure business opportunities promptly. Our experienced management team evaluates potential projects carefully to align with our strategic goals, supporting consistent growth and financial performance.

**59. Industry information presented in this Draft Red Herring Prospectus is based on third-party reports**

This Draft Red Herring Prospectus includes information relating to the industry in which we operate, which has been derived from an industry report prepared by Infomerics Analytics and Research Private Limited (“Infomerics”) as well as other third-party publications. While we believe such information to be reliable, we have not independently verified the accuracy, completeness, or reliability of the data or the methodologies used in such reports. These industry publications are based on information available as of specific dates and may not reflect the most recent developments, market conditions, or trends.

Furthermore, the methodologies and assumptions adopted by Infomerics and other sources may differ from those used by other analysts or from our internal assessments, potentially resulting in inconsistencies. In some cases, the data may have been compiled using standards or definitions that differ from those applied in other jurisdictions, including India. Accordingly, the statistical and other industry-related information contained herein should not be relied upon as definitive or comprehensive. Any inaccuracy, or any change in the underlying assumptions or forecasts, could materially affect the industry data presented in this Draft Red Herring Prospectus and, consequently, have an impact on our business, financial condition, results of operations, and future prospects.

We reference third-party industry reports to provide context for our business environment while supplementing them with our internal assessments and market experience. We continuously monitor industry developments to align our strategies with current trends, ensuring informed decision-making despite potential limitations in third-party data

**60. This DRHP contains forward-looking statements that are subject to risks and uncertainties**

This Draft Red Herring Prospectus contains certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on various assumptions, estimates, expectations, and projections and are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control. Actual results, performance, or achievements could differ materially from those expressed or implied by such forward-looking statements. These differences may arise due to various factors including, but not limited to, those discussed in the sections titled “Forward-Looking Statements” on page no.20 in this Draft Red Herring Prospectus. Investors are cautioned not to place undue reliance on such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required under applicable law.

**61. Our business, financial condition, results of operations, and prospects are subject to various risks and contingencies, many of which are beyond our control**

Our performance and growth are subject to various business risks and uncertainties, including those related to macroeconomic conditions, changes in government regulations, competition, raw material availability and pricing, operational inefficiencies, and changes in customer preferences. These factors, individually or in combination, may have an adverse effect on our revenues, profitability, cash flows, and overall financial condition. Additionally, unforeseen events or contingencies such as natural disasters, pandemics, labour

unrest, or disruptions in supply chains may significantly impact our operations. While we seek to manage and mitigate these risks, many of them are beyond our control and could materially affect our business performance and future prospects.

We implement robust risk management and contingency planning to mitigate the impact of factors beyond our control. We continuously monitor macroeconomic and operational developments to adapt our strategies, ensuring business continuity and protecting our financial performance.

**62. Our export operations are not backed by formal agreements with foreign distributors or agents, exposing us to business and revenue risks.**

The Company's export operations are not supported by formal contracts or long-term agreements with its foreign distributors, agents, or customers. As a result, the Company is exposed to risks such as sudden order cancellations, changes in trading terms, inconsistent demand, or loss of business relationships without prior notice or recourse. This lack of contractual assurance may lead to volatility in export revenues and hinder the Company's ability to plan and forecast its international operations effectively. Additionally, our business is dependent on aligning with the sustainability expectations of our customers and failure to do so could lead to a loss of business. Any disruption in export orders or relationships may adversely impact the Company's financial performance, growth prospects, and overall business stability.

Our sales are typically based on purchase orders or short-term arrangements, and there is no assurance of continued business from these customers.

If any of our customers choose to reduce or discontinue sourcing their requirements from us, it could result in a significant loss of business. Such dependency on recurring orders without binding commitments may lead to unpredictability in revenue, impact our cash flows, and adversely affect our financial condition and results of operations.

We maintain strong relationships with our export customers and focus on delivering consistent quality and service to encourage repeat business. We are also exploring formalising agreements with key customers while diversifying our export base to reduce dependency and revenue volatility.

**63. Operational risks arising from windmill underperformance and machinery breakdown may adversely affect our business, financial stability, and sustainability goals**

Our Company relies on wind energy assets to partially reduce its operational costs and support sustainable operations. Any malfunction or underperformance of these windmills due to mechanical failures, irregular wind conditions, grid connectivity issues, inadequate maintenance, or natural calamities, may lead to higher operational costs. Delays in repairs, unavailability of spare parts, or reliance on third-party service providers for maintenance may further extend downtime and negatively impact our operational efficiency, profitability, and ability to meet internal sustainability targets or contractual obligations.

Additionally, our business operations are dependent on the smooth functioning of key plants and machinery. Any obsolescence, damage, theft, or unexpected breakdown of critical equipment may lead to interruptions in production, increased capital expenditure for replacements, higher depreciation charges, and reassessment of asset lifespans. Procuring new or specialized machinery, particularly those involving proprietary technology or original manufacturers, may be time-consuming and costly further exacerbated by inflation, supply chain disruptions, and shortages of essential components. Such events may adversely impact our cash flows, financial stability, and overall operational performance.

We conduct regular maintenance and performance monitoring of our windmills and critical machinery to minimise downtime and operational disruptions. We maintain contingency plans, engage reliable service providers, and explore alternative sourcing for spares to ensure operational efficiency, cost control, and alignment with our sustainability goals.

**64. Our Subsidiary MAH Textiles LLP\* will be required to comply with the provision of the Companies Act, 2013 post conversion which were not applicable on it prior to conversion.**

MAH Textiles LLP, a group entity, is proposed to be converted into a company structure. Upon conversion, it will be required to comply with the provisions of the Companies Act, 2013 and related rules and regulations, which were not applicable to it in its earlier form as a Limited Liability Partnership. These include, among others, enhanced disclosure requirements, maintenance of statutory records, corporate governance norms, audit requirements, and regulatory filings. Ensuring timely and full compliance with these additional obligations may involve increased costs, administrative efforts, and operational adjustments. Any non-compliance or delay in adapting to the new regulatory framework could result in penalties, reputational risk, or disruption in business operations.

We have engaged experienced professionals to facilitate the seamless conversion of MAH Textiles LLP into a private limited company and to ensure timely compliance with the Companies Act, 2013. We are strengthening internal systems and processes to meet enhanced governance, disclosure, and regulatory requirements post-conversion.

*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

**65. Failure to stay updated with the latest technological trends may have adverse effects.**

Staying abreast with the latest technological advancements is crucial for maintaining our cost efficiency and ability to innovate. We operate in a highly technology-driven and competitive environment, given the dynamic and ever-evolving nature of technology, failing to adapt to emerging trends could put us at a disadvantage. An inability to keep pace with advancements may impact our operational efficiency, reduce our cost competitiveness, and hinder the development of high-quality, innovative products. Consequently, this could weaken our market position, affect customer demand, and ultimately lead to a decline in sales and profitability.

We regularly monitor industry developments and technological trends to align our operations with evolving market requirements. We invest in upgrading machinery, process automation, and employee training to enhance efficiency, maintain competitiveness, and ensure the consistent delivery of innovative, high-quality products.

**66. Our Promoters and members of the Promoter Group will continue to hold majority control over our Company post-issue, enabling them to influence key shareholder decisions.**

Following this Issue, our Promoters and Promoter Group will collectively retain [•] stake in our post-issue equity share capital. Consequently, they will continue to exert significant influence over the Company, including the ability to determine the outcome of matters requiring shareholder approval, such as the appointment of Board members, in accordance with the Companies Act, 2013, and our Articles of Association. This concentrated ownership structure may also delay, prevent, or discourage any potential change in control of the Company. Additionally, our Promoters may take actions that, while aligned with their interests, may not necessarily align with or may conflict with the interests of other shareholders, creditors, or stakeholders. We cannot guarantee that such decisions will not adversely impact our financial performance or the market value of our Equity Shares.

Our Company remains committed to upholding transparent governance and protecting minority shareholder interests despite our Promoter Group retaining majority control post-issue. Board decisions will continue to be made in compliance with the Companies Act, 2013, and SEBI Listing Regulations, ensuring alignment with stakeholder interests and adherence to regulatory norms.

**67. Any changes in the utilization of the Net Proceeds, as outlined in this DRHP, will require compliance with specific regulatory requirements, including prior approval from Shareholders.**

As per Section 27 of the Companies Act, 2013, any deviation in the planned utilization of the Net Proceeds from what is disclosed in this DRHP can only be undertaken after securing approval from Shareholders through a special resolution. If circumstances necessitate such a variation, there is no certainty that we will



obtain the required Shareholders' approval in a timely manner, or at all. Any delay or inability to secure such approval may adversely impact our business operations.

Furthermore, under the SEBI (ICDR) Regulations, our Promoters or controlling shareholders must provide an exit opportunity to dissenting shareholders who do not agree with any proposed modification in the objects of the Issue. If a significant number of shareholders opt for such an exit, it could negatively impact our financial condition and business stability. Additionally, even if a variation in the utilization of funds is deemed beneficial for our Company, regulatory constraints may prevent us from reallocating any unutilized proceeds, thereby limiting our flexibility in responding to changes in business dynamics. This could, in turn, affect our operational performance and financial results.

We have carefully planned the utilisation of Net Proceeds in alignment with our business objectives and regulatory requirements. In the event of any necessary deviations, we will seek shareholder approval as per the Companies Act, 2013, and SEBI (ICDR) Regulations, ensuring compliance while maintaining transparency and prioritising the best interests of the Company and its stakeholders.

For more details on the proposed utilization of Net Proceeds, please refer to the chapter titled "OBJECTS OF THE OFFER" on page no. 106 of this DRHP.

**68. Our inability to effectively manage growth may disrupt our business operations and impact profitability.**

A key aspect of our strategic vision is to achieve continuous expansion by increasing both the scale and geographical reach of our business. However, this growth strategy places substantial demands on our management, financial resources, and operational capabilities. To sustain this expansion, we must consistently enhance our financial controls, operational efficiencies, and internal governance frameworks.

Managing continuous growth presents challenges such as effective financial oversight, recruiting, training, and retaining skilled professionals, maintaining our organizational culture and core values, and strengthening our administrative infrastructure. Failure to efficiently handle these demands may disrupt our business operations, strain our financial stability, and negatively impact our overall performance.

We are strengthening our internal processes, financial controls, and operational systems to support sustainable growth while ensuring prudent risk management. We are committed to enhancing our governance frameworks and investing in talent development to efficiently manage expansion and maintain operational stability.

**69. Our ability to distribute dividends in the future will be contingent on various factors, including our earnings, financial health, cash flow position, working capital needs, capital expenditure plans, and any restrictions imposed by our financing agreements.**

We may choose to retain all future earnings, if any, to support business operations and fuel expansion, which could result in no dividend declarations in the foreseeable future. Any decision regarding dividend distribution will rest with our Board of Directors, who will consider multiple factors such as our financial performance, liquidity position, growth prospects, and existing financial obligations. Company has not paid dividend in the last 3 fiscal years. Furthermore, our ability to declare dividends may be restricted by terms outlined in our loan agreements. If there is a default on such financing arrangements, or if certain conditions require us to clear outstanding dues before issuing dividends, our capacity to distribute earnings to shareholders may be limited. Consequently, investors seeking returns may primarily rely on potential appreciation in the value of our Equity Shares, for which there is no guaranteed assurance.

**70. Employee misconduct, human errors, or failures in internal control systems may result in financial losses, regulatory penalties, and reputational damage.**

We are exposed to risks arising from failures or material weaknesses in our internal control systems, including those related to financial reporting, compliance, and operational processes. Any inadequacy, lapse, or failure in these controls—whether due to human error, system limitations, or procedural shortcomings—could result in errors, misstatements, regulatory non-compliance, or operational inefficiencies. Despite the implementation of preventive measures and internal monitoring systems, we cannot guarantee the complete detection or prevention of all instances of misconduct, fraud, or unintentional errors. Such actions, whether

deliberate or accidental, may expose us to legal liabilities, compliance violations, and significant operational setbacks. Furthermore, lapses in oversight and internal controls could lead to negligence claims, legal proceedings, regulatory scrutiny, or reputational damage, all of which could materially and adversely affect our financial condition, business performance, and stakeholder trust.

We maintain robust internal controls and periodic audits to detect and prevent errors or misconduct, while also conducting regular staff training to reinforce compliance and ethical conduct, thereby mitigating operational and reputational risks.

**71. Our business relies heavily on transportation services for the movement of raw materials to our production facilities and the delivery of finished products to customers/ retailers.**

Since we depend on third-party transportation providers, any disruptions whether due to adverse weather conditions, labour strikes, lockouts, infrastructure deficiencies, or unforeseen events could hinder our supply chain and delay deliveries. Such delays may result in customer dissatisfaction, including potential rejection of products, impacting our business relationships. While we take measures to mitigate these risks, we cannot guarantee that such disruptions will not occur in the future. Any significant interruption in transportation services could have an adverse effect on our business operations, financial stability, and overall performance.

We engage multiple logistics partners, monitor delivery timelines, and maintain buffer inventory to manage potential disruptions in transportation and minimise adverse impacts on our supply chain and customer commitments.

**72. Potential penalties and demands from statutory authorities may impact our financial position**

As a company engaged in the production of cotton bales and cotton yarn, we are subject to various tax liabilities, including Goods and Services Tax (GST) and professional tax, as per applicable laws. While we have duly filed the required returns under relevant statutes, there remains a possibility that regulatory authorities may raise demands or impose penalties in the future for prior or current financial years. Any such penalties or demands could have an adverse impact on our financial position and overall business operations.

We ensure timely and accurate statutory filings, monitor compliance obligations, and engage qualified professionals to handle regulatory matters to minimise the risk of penalties and demands affecting our financial position.

**73. Past instances of non-timely compliance with statutory and regulatory filing requirements**

There have been certain instances of delays in the filing of statutory and regulatory dues with various government authorities in the past. While such delays were not material and have since been regularized, there can be no assurance that similar instances will not occur in the future. Any continued or repeated non-compliance with statutory or regulatory requirements may attract penalties or other regulatory actions, which could adversely affect our reputation, business operations, and financial condition.

We have strengthened compliance monitoring systems and internal processes to ensure timely statutory and regulatory filings, reducing the likelihood of delays and associated penalties in the future.

**74. Compliance with public listing requirements may strain resources and impose additional obligations**

Becoming a publicly listed company entails increased scrutiny from shareholders, regulators, and the general public. Consequently, we will incur significant additional expenses related to legal, accounting, corporate governance, and compliance matters, which were not applicable to us before. Furthermore, we will be required to adhere to the provisions of listing agreements with stock exchanges, necessitating enhanced financial controls and disclosure mechanisms.

Meeting these obligations will demand considerable management oversight and resources, potentially diverting attention from core business activities. There is no assurance that we will be able to meet our reporting requirements or promptly disclose operational changes as efficiently as other listed entities. Additionally, to comply with public company regulations, we will need to strengthen our management team and recruit experienced legal and accounting professionals with expertise in corporate governance and

financial reporting. Failure to meet stock exchange listing requirements may result in severe penalties, including potential trading suspensions, which could adversely affect our reputation, financial standing, and investor confidence.

We are strengthening our internal processes, financial controls, and compliance frameworks, while engaging experienced professionals to efficiently meet public listing and regulatory requirements, ensuring transparent governance and minimising disruptions to core business operations.

## **EXTERNAL RISK FACTORS**

### **75. Our business and financial performance are influenced by various political, economic, and external factors beyond our control.**

The Indian economy is interconnected with global economic developments, and any downturn or financial disruption in domestic, regional, or international markets could negatively impact our business, financial condition, and operational results. Periods of economic slowdown in India have previously affected demand for products and services, and any future economic downturn could similarly impact our growth prospects and profitability.

Several factors, including fluctuations in domestic consumption and savings, trade imbalances, global economic uncertainty, currency exchange rate volatility, and agricultural production affected by annual rainfall, play a crucial role in shaping economic growth. Additionally, changes in government policies, economic regulations, or high inflation rates could increase our operational costs without a proportional rise in revenues, thereby reducing our operating margins and affecting our overall business performance.

### **76. Dependence on a limited number of international logistics and customs clearing agents may disrupt export operations**

Our export operations rely heavily on a limited number of third-party logistics providers and customs clearing and forwarding agents for the movement and clearance of goods across international borders. Any disruption in their services whether due to port closures, delays in customs clearance, container shortages, freight rate volatility, or inefficiencies in documentation may adversely affect the timely execution of export orders.

Furthermore, geopolitical developments, including trade restrictions, diplomatic tensions, or regulatory changes particularly in key trade routes such as those between India and Bangladesh may also lead to logistical bottlenecks. Such disruptions could result in shipment delays, increased logistics costs, penalties for delayed delivery, or even cancellation of orders, all of which may adversely impact our revenue recognition, customer relationships, and overall financial performance.

Given our reliance on a limited pool of logistics partners, our ability to quickly adapt to such external disruptions is constrained, thereby posing a material risk to our export-driven business operations.

### **77. Adverse climatic conditions and irregular monsoons may adversely affect the availability, quality and pricing of raw cotton, thereby impacting our business operations and financial performance**

Our business operations are substantially dependent on the timely availability and consistent quality of raw cotton, which constitutes our principal raw material. Cotton is an agricultural commodity, and its production in India is significantly influenced by monsoon patterns and other climatic conditions. The Indian monsoon is inherently unpredictable and any deviation from normal patterns such as delayed onset, early withdrawal, uneven distribution of rainfall, drought-like conditions, or excessive rainfall can adversely affect cotton cultivation, yield and quality.

A weak or erratic monsoon may result in reduced cotton sowing and lower yields, thereby leading to decreased market availability and increased procurement costs. On the other hand, excessive rainfall, particularly during the harvesting or post-harvest period, may result in crop damage, increased moisture content, and deterioration in the quality of cotton fibre, rendering it unsuitable or suboptimal for ginning and spinning. Additionally, such weather events may disrupt harvesting, transportation, and storage operations, and increase the risk of logistical delays.

Since our procurement strategy and processing capacities are calibrated to cotton availability during specific months of the year, any weather-related disruptions may adversely affect our operational efficiency, capacity utilization, and inventory planning. Furthermore, adverse climatic conditions may lead to speculative pricing, volatility in raw material costs, and challenges in maintaining consistent quality standards for our finished products.

Although we endeavour to mitigate such risks through supplier diversification, inventory controls, and staggered procurement, our operations and financial condition remain vulnerable to external agro-climatic factors beyond our control. Any sustained adverse impact on cotton availability or pricing due to irregular monsoon or other climatic events may materially and adversely affect our business, cash flows, and profitability.

**78. Volatility in cotton prices, driven by external factors, may adversely affect our margins and financial performance**

As a ginning and spinning company, our business is highly sensitive to fluctuations in cotton prices, which constitute a substantial portion of our raw material costs. Cotton prices in India are influenced by various external factors, including procurement operations by the Cotton Corporation of India (CCI), changes in Minimum Support Prices (MSP) set by the government, as well as global supply-demand trends and price movements in international markets such as the New York Cotton Exchange (NYCE) and Intercontinental Exchange (ICE) futures.

These external influences are beyond our control and may cause significant volatility in the price of cotton. Any sharp increase in cotton prices without a corresponding and timely rise in the prices of our output products such as cotton bales or yarn can result in a mismatch in input and output pricing, leading to margin compression. Conversely, a steep decline in cotton prices may affect the valuation of inventory and impact revenues, especially if output prices also fall.

Prolonged or unexpected volatility in cotton prices due to global trade dynamics, weather-related disruptions, or policy interventions could adversely impact our profitability, cash flows, and overall financial stability.

**79. Dependence on global textile industry demand may adversely impact our export sales**

A significant portion of our revenue is derived from the export of yarn and related textile products, and as such, our business is exposed to fluctuations in global demand. Major export markets for Indian yarn include countries such as China, Bangladesh, Vietnam, and Turkey. The demand from these countries is influenced by a range of external factors, including global economic conditions, geopolitical tensions, trade policies, foreign exchange fluctuations, and import regulations.

Any slowdown in global textile consumption, trade restrictions, changes in import duties, or political instability in key importing nations may result in reduced order volumes, delayed shipments, or pricing pressures. In particular, tensions between major economies, disruptions in global supply chains, or restrictive trade practices could significantly affect demand for our products in international markets.

Additionally, global inflationary trends or recessionary conditions may dampen consumer spending on textiles, further impacting downstream demand. As a result, any sustained decline in demand from key export destinations could materially and adversely affect our revenue, profitability, and growth prospects.

**80. A slowdown in India's economic growth could have a negative impact on our business.**

As a company incorporated in India, with all our assets and employees based in the country, our operations are highly dependent on the overall economic environment. Any decline in economic activity could affect our ability to expand, maintain asset quality, and successfully execute our strategic plans.

Several factors could adversely impact the Indian economy and, consequently, our financial performance, including rising interest rates or inflation, limited access to credit, fluctuations in consumer and corporate income levels, changes in tax, trade, fiscal, or monetary policies, as well as political instability, terrorism, or geopolitical conflicts in the region. Additionally, global economic conditions, regulatory shifts, or volatility in commodity prices could negatively affect our borrowers and contractual counterparties, ultimately impacting our business, financial results, and the market value of our Equity Shares.

**81. Foreign investment restrictions under Indian law may limit our ability to attract foreign investors, potentially impacting the market price of our Equity Shares.**

Our company is subject to exchange controls under FEMA, which regulate foreign currency borrowings and may restrict our access to competitive financing for project development and debt refinancing. Additionally, required regulatory approvals may not always be granted or could come with stringent conditions, affecting our business growth and financial stability.

Under current foreign exchange regulations, share transfers between residents and non-residents are generally permitted, subject to pricing guidelines and reporting requirements set by the RBI. However, transactions falling outside these norms require prior RBI approval. Furthermore, shareholders converting Rupee proceeds from share sales into foreign currency for repatriation must obtain tax clearance. There is no assurance that necessary approvals from the RBI or other authorities will be granted on favourable terms or at all.

**82. A downgrade in India's credit rating by international agencies could significantly impact our ability to raise financing, particularly from overseas markets.**

Credit ratings play a crucial role in determining a country's creditworthiness, influencing investor confidence and the terms on which capital can be accessed. If India's debt rating is lowered, it may result in higher borrowing costs, reduced availability of foreign capital, and stricter lending conditions, all of which could adversely affect our ability to secure funds for expansion and operational needs.

Such a downgrade could lead to increased interest rates and less favourable commercial terms for international financing, making it more expensive and difficult for us to raise additional capital. This may, in turn, limit our capacity to invest in growth initiatives, refinance existing obligations, and sustain long-term business operations. Additionally, investor sentiment toward Indian companies could weaken, potentially affecting the market price of our Equity Shares. As a result, our financial performance, funding options, and overall business growth could face significant challenges due to unfavourable credit rating revisions.

**83. Impact of Political Instability and Policy Changes on Our Business**

Political instability or changes in economic liberalization and deregulation policies could significantly impact business and economic conditions in India, including our operations. The Indian government has historically influenced various sectors of the economy and continues to regulate key areas such as taxation, interest rates, and foreign investment. Any shift in government policies, particularly those affecting the technology sector and capital markets, could have a direct impact on our business growth, financial performance, and the market value of our Equity Shares.

**84. Foreign exchange rate fluctuations may adversely affect our export revenues and profitability.**

Our Company's export operations expose us to foreign exchange rate fluctuations, particularly in the INR–USD corridor. We do not presently have a comprehensive hedging policy, and a portion of our exports remain unhedged. Consequently, any adverse movement in exchange rates may lead to reduced realizations, lower margins, and volatility in our earnings. Further, in the absence of natural hedges or forward cover arrangements, prolonged currency volatility may adversely affect our financial condition and cash flows.

**85. Global economic and political conditions may adversely affect our business and stock price**

Our business operations and financial performance are subject to global economic, political, and social conditions that are beyond our control. Factors such as interest rate fluctuations, fiscal and monetary policies, inflation, exchange rate volatility, market instability, and employment trends can directly influence consumer confidence and spending patterns. Increased financial market volatility may amplify these risks, potentially affecting our operational costs and leading to fluctuations in our stock price.

**86. Natural Disasters Could Negatively Impact Our Business and the Indian Economy**

India is highly susceptible to natural disasters such as earthquakes, floods, cyclones, droughts, and landslides, which have historically caused widespread destruction and economic disruption. These calamities not only result in loss of life and property but also have far-reaching effects on industries, infrastructure, and overall economic stability. The severity and frequency of such disasters have increased in recent years due to climate change, making their impact more unpredictable and challenging to manage. Natural disasters can severely disrupt business operations by damaging production facilities, supply chains, transportation networks, and communication systems. For instance, extreme flooding may lead to logistical bottlenecks, delaying the procurement of raw materials and the delivery of finished goods, thereby affecting operational efficiency and revenue generation.

Additionally, earthquakes or cyclones can cause structural damage to key infrastructure, requiring significant financial resources for repairs and recovery. The economic impact of such disasters extends beyond immediate business disruptions. Prolonged adverse weather conditions can weaken consumer demand, disrupt labour markets, and lead to inflationary pressures due to supply shortages. If such disruptions persist, they can negatively influence investor sentiment, reduce foreign direct investment, and cause volatility in financial markets.

#### **87. Risks from Terrorism, Civil Unrest, and Geopolitical Conflicts**

Acts of terrorism, civil unrest, and geopolitical tensions involving India or other countries could negatively impact the economy and financial markets. Events such as terrorist attacks, international conflicts, and other forms of violence may reduce investor confidence, disrupt economic activities, and affect global trade relations. Such incidents could lead to stock market volatility, negatively affecting the performance of Indian equities, including the market price and liquidity of our Equity Shares

## SECTION IV – INTRODUCTION

### THE OFFER

<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Offer<sup>(1)(2)</sup></b>	Offer of up to [●]* Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>The Offer Consists of :</i></b>	
<b><i>Fresh Issue</i></b>	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating upto ₹ 7,600 lakhs.
<b><i>Offer for sale<sup>(6)</sup></i></b>	Offer for sale by existing shareholders up to 3,72,500 equity shares of ₹ 10 each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs.
<b><i>Out of which:</i></b>	
<b>Offer Reserved for the Market Maker</b>	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Net Offer to the Public</b>	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>Out of which*</i></b>	
A. QIB Portion <sup>(4) (5)</sup>	Not more than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>Of which</i></b>	
i. Anchor Investor Portion	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>Of which</i></b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
C. Individual Investor Portion	Not less than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Pre and Post – Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	1,65,20,876 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Offer</b>	[●] Equity Shares of face value of ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Offer</i> ” on page 106 of this Draft Red Herring Prospectus.

\* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Offer price.

**Notes:**

- 1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our Company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Offer paid up equity share capital of our company are being offered to the public for subscription.
- 2) The present Offer has been authorized pursuant to a resolution of our Board dated January 20, 2025 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated January 21, 2025 under Section 62(1)(c) of the Companies Act, 2013.
- 3) The Promoter Selling Shareholder have consented to participate in the Offer for Sale in the following manner:

Name of the Promoter Selling Shareholder	Type	Date of Authorization Letter	Equity Shares of face value of ₹ 10 each held as of date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital
Mohammadhasnein Husenali Narsinh	Promoter	[●]	56,17,500	1,86,250	34.00
Husenali Yusufali Narsinh	Promoter	[●]	56,16,975	1,86,250	34.00

The Promoter Selling Shareholder have confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Promoter Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

- 4) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to investors in all categories, except the Individual Investor Portion, shall be made on a proportionate basis subject to valid bids received at or above the Offer Price. The allocation to each Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Individual Investor Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- 5) The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Offer shall be available for allocation on a proportionate basis to Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e. not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Individual Investors and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders.
- 6) Subject to valid Bids being received at or above the Offer 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.
- 7) The Equity Shares being offered by the Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see “**Other Regulatory and Statutory Disclosures**” on page 282.

For details, including grounds for rejection of Bids, refer to “**Offer Structure**” and “**Offer Procedure**” on page 305 and 310, respectively. For details of the terms of the Offer, see “**Terms of the Offer**” on page 296.

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. One-third of the



Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Offer Procedure*” beginning on page 310 of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

Sr. No	Particulars	Page Nos.
1.	Summary of Restated Financial Information	70 to 72

<b>MILAN GINNING PRESSING LIMITED</b> (Formerly, MILAN GINNING PRESSING PRIVATE LIMITED) CIN:U17119GJ1995PLC025604					
<b>SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES</b>					
<i>(Amount in Lakhs)</i>					
SN	Particulars	Consolidated		Standalone	
		As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>Equity and Liabilities</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
	Share Capital	1,652.09	1,652.09	944.05	598.05
	Reserves & Surplus	3,187.99	2,400.67	1,744.83	1,103.38
	Minority Interest	97.42	92.16	-	-
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings	1,299.11	2,180.87	1,078.76	482.65
	Long-Term Provisions	56.49	38.93	16.99	5.74
	Deferred Tax Liabilities (Net)	415.31	361.88	255.95	42.69
	Other Non-Current Liabilities	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>				
	Short Term Borrowings	4,178.45	3,922.15	2,187.91	2,071.41
	Trade Payables :				
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	17,823.64	14,584.79	7,608.19	10,201.77
	Other Current Liabilities	1,758.78	1,817.09	709.32	1,478.58
	Short Term Provisions	328.33	497.83	176.51	79.27
	<b>Total</b>	<b>30,797.61</b>	<b>27,548.46</b>	<b>14,722.51</b>	<b>16,063.54</b>
<b>B</b>	<b>Assets</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	Property, Plant and Equipment				
	Tangible Assets	3,752.88	3,875.71	3,123.36	582.62
	Intangible Assets	-	-	-	-
	Capital WIP	199.37	-	175.68	1,382.38
	Non-Current Investments	0.03	0.03	0.03	0.03
	Deferred Tax Assets	-	-	-	-
	Long Term Loans & Advances	187.93	208.84	157.90	107.82
<b>2</b>	<b>Current Assets</b>				
	Current Investments	-	-	-	-
	Inventories	5,685.90	5,833.17	1,741.37	2,552.15
	Trade Receivables	16,403.17	13,446.98	6,762.60	8,228.48
	Cash and Cash Equivalents	53.77	181.26	293.03	167.46
	Short-Term Loans and Advances	344.53	294.15	57.30	44.79
	Other Current Assets	4,170.03	3,708.32	2,411.24	2,997.81
	<b>Total</b>	<b>30,797.61</b>	<b>27,548.46</b>	<b>14,722.51</b>	<b>16,063.54</b>

<b>MILAN GINNING PRESSING LIMITED</b> (Formerly, MILAN GINNING PRESSING PRIVATE LIMITED) CIN:U17119GJ1995PLC025604					
<b>SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS</b>					
<i>(Amount in Lakhs)</i>					
SN	Particulars	Consolidated		Standalone	
		As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	66,468.52	90,188.41	68,275.02	73,492.44
	Other income	474.02	734.31	1,179.82	1,129.87
	<b>Total Revenue</b>	<b>66,942.54</b>	<b>90,922.73</b>	<b>69,454.84</b>	<b>74,622.31</b>
<b>B.</b>	<b>Expenses:</b>				
	Purchase of Stock in Trade	53,284.48	70,685.17	43,804.53	50,215.80
	Cost of Material Consumed	9,908.89	14,591.54	19,647.89	20,364.09
	Change in Inventories	(757.03)	(216.04)	1,498.50	(179.13)
	Employees Benefit Expenses	562.56	643.59	396.60	217.97
	Finance Costs	391.60	410.44	319.62	231.30
	Depreciation and Amortization	192.94	198.07	149.09	30.08
	Other Expenses	2,245.90	2,982.77	2,586.43	3,337.79
	<b>Total Expenses</b>	<b>65,829.33</b>	<b>89,295.53</b>	<b>68,402.66</b>	<b>74,217.90</b>
	<b>Profit Before Exceptional And Extraordinary Items And Tax</b>	<b>1,113.20</b>	<b>1,627.20</b>	<b>1,052.18</b>	<b>404.40</b>
	Exceptional Items	-	0.08	19.02	66.83
	<b>Profit before extraordinary items and tax</b>	<b>1,113.20</b>	<b>1,627.12</b>	<b>1,033.16</b>	<b>337.58</b>
	Extraordinary Items	-	(51.06)	-	-
	<b>Profit Before Tax</b>	<b>1,113.20</b>	<b>1,678.18</b>	<b>1,033.16</b>	<b>337.58</b>
	<b>Tax Expense :</b>				
	Current Tax	267.69	421.14	178.46	79.17
	Excess/Shortage of Taxes Paid	-	-	-	-
	Deferred Tax	53.43	105.92	213.27	42.31
	<b>Profit (Loss) After Tax for the period from continuing operations</b>	<b>792.08</b>	<b>1,151.11</b>	<b>641.44</b>	<b>216.09</b>
	<b>Earning Per Equity Share (Face Value of ₹10/- per equity share)^:</b>				
	Basic Earnings Per Share	4.79	6.97	4.22	2.06
	Adjusted Earnings Per Share	4.79	6.97	4.22	2.06

<b>MILAN GINNING PRESSING LIMITED</b> (Formerly, MILAN GINNING PRESSING PRIVATE LIMITED) CIN: U17119GJ1995PLC025604					
<b>SUMMARY OF RESTATED STATEMENT OF CASH FLOWS</b>					
<i>(Amount in Lakhs)</i>					
SN	Particulars	Consolidated		Standalone	
		As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>				
	Profit/ (Loss) before tax	<b>1,113.20</b>	<b>1,678.18</b>	<b>1,033.16</b>	<b>337.58</b>
	Adjustments for:				
	Depreciation	192.94	198.07	149.09	30.08
	Finance Cost	391.60	410.44	319.62	231.30
	Interest Income	(13.89)	(8.44)	(6.06)	(1.45)
	Adjustment on Account of Consolidation	0.50	(155.51)	-	-
	<b>Operating profit before working capital changes</b>	<b>1,684.34</b>	<b>2,122.74</b>	<b>1,495.81</b>	<b>597.51</b>
	<b>Movements in working capital :</b>				
	(Increase)/Decrease in Inventories	147.27	(4,091.80)	810.78	(43.12)
	(Increase)/Decrease in Trade Receivables	(2,956.19)	(6,684.38)	1,465.89	139.50
	(Increase)/Decrease in Loans & Advances	(50.38)	(236.85)	(12.51)	37.49
	(Increase)/Decrease in Other Current Assets	(461.71)	(1,297.08)	586.57	(356.32)
	Increase/(Decrease) in Trade Payables	3,238.85	6,976.60	(2,593.58)	1,692.99
	Increase/(Decrease) in Other Current Liabilities	(58.30)	1,107.77	(769.26)	620.56
	Increase/(Decrease) in Long Term Provisions	17.56	21.94	11.25	5.74
	Increase/(Decrease) in Short Term Provisions	(169.51)	321.32	97.25	33.61
	<b>Cash generated from operations</b>	<b>1,391.94</b>	<b>(1,759.74)</b>	<b>1,092.19</b>	<b>2,727.95</b>
	Adjustment on Account of Income Tax Expense	(267.69)	(421.12)	(178.48)	(79.52)
	<b>Net cash from operating activities (A)</b>	<b>1,124.25</b>	<b>(2,180.86)</b>	<b>913.71</b>	<b>2,648.42</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>				
	(Increase)/Decrease in Long Term Loans & Advances	20.91	(50.94)	(50.08)	(51.94)
	Interest Income	13.89	8.44	6.06	1.45
	Sale/(Purchase) of Fixed Assets	(269.48)	(314.32)	(1,483.12)	(1,630.06)
	<b>Net cash from investing activities (B)</b>	<b>(234.68)</b>	<b>(356.82)</b>	<b>(1,527.14)</b>	<b>(1,680.54)</b>
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>				
	Interest/Other expenses paid on borrowings	(391.60)	(410.44)	(319.62)	(231.30)
	Proceeds/(Repayment) of Long-Term Borrowings	(881.76)	1,102.11	596.11	(69.63)
	Increase/(Decrease) in Short Term Borrowings	256.30	1,734.24	116.50	(514.94)
	Increase/(Decrease) in Share Capital	-	-	346.00	-
	<b>Net cash from financing activities (C)</b>	<b>(1,017.06)</b>	<b>2,425.91</b>	<b>739.00</b>	<b>(815.87)</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(127.49)</b>	<b>(111.77)</b>	<b>125.56</b>	<b>152.00</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>	<b>15.46</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>53.77</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>

## SECTION V – GENERAL INFORMATION

Our Company was originally incorporated under the name ‘*Milan Ginning Pressing Private Limited*’, pursuant to a certificate of incorporation dated April 25, 1995 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in their meeting held on April 1, 2024 and by the Shareholders in an Extraordinary General Meeting held on April 12, 2024 and a fresh certificate of incorporation dated June 21, 2024 was issued by the Registrar of Companies, Central Processing Centre. Consequent to the conversion of our Company, the name of our Company was changed to ‘*Milan Ginning Pressing Limited*’. The corporate identification number of our Company is U17119GJ1995PLC025604.

### **Registered Office of our Company**

#### **Milan Ginning Pressing Limited**

Revenue Survey No.555/P,  
Near Chorania 440KV Watt Sub Station,  
National Highway-8, Untadi, Surendra Nagar,  
Limbdi - 363 421, Gujarat, India.

**Telephone:** +91 027 5329 9001

**Facsimile:** N.A.

**E-mail:** [cs@milangroupindia.com](mailto:cs@milangroupindia.com)

**Investor grievance id:** [investors@milangroupindia.com](mailto:investors@milangroupindia.com)

**Website:** [www.milangroupindia.com](http://www.milangroupindia.com)

**CIN:** U17119GJ1995PLC025604

### **Corporate Office of our Company**

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

### **Registrar of Companies**

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

#### **Registrar of Companies, Gujarat at Ahmedabad**

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad – 380 013, Gujarat, India.

### **Board of Directors of our Company**

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name	Designation	DIN	Address
1.	Mohmmadhasnein Husenali Narsinh	Chairman and Managing Director	00082026	Bhalgamda gate, near Bharat Mill, Near Jain Society, NH- 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.
2.	Husenali Yusufali Narsinh	Whole-time Director	00102874	Bhalgamda gate, near Bharat Mill, Near Jain Society, NH- 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.
3.	Minajbanu Husenali Narsinh	Non-Executive Director	00084661	Bhalgamda gate, near Bharat Mill, Near Jain Society, NH- 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.
4.	Khushi Giriraj Laddha	Independent Director	10597406	E-102, Vaibhav Apartments - 2 Near Police Commissioner office, Shahibaug, Ahmabad – 380 004, Gujarat, India.
5.	Priyank Shirishbhai Shah	Independent Director	06967625	11, Sakar Bunglows, Nr. Mani Ratnam Bunglows Vasna, Ahmabad - 380 007, Gujarat, India.

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 218 of the Draft Red Herring Prospectus.

#### **Chief Financial Officer**

**Devendra Kumar Yadav**, is the Chief Financial Officer of our Company. His contact details are set forth hereunder:

Revenue Survey No.555/P,  
Near Chorania 440KV Watt Sub Station,  
National Highway- 8, Untadi, Surendra Nagar,  
Limbdī - 363 421, Gujarat, India.

**Telephone:** 02-75329 9001

**Facsimile:** N.A.

**E-mail:** [acssepl@milangroupindia.com](mailto:acssepl@milangroupindia.com)

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

**Shah Yashesh Vijaykumar**, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Revenue Survey No.555/P,  
Near Chorania 440KV Watt Sub Station,  
National Highway-8, Untadi, Surendra Nagar,  
Limbdī - 363 421, Gujarat, India.

**Telephone:** 02-75329 9001

**Facsimile:** N.A.

**E-mail:** [cs@milangroupindia.com](mailto:cs@milangroupindia.com)

#### **Investor grievances**

**Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, 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 Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the information mentioned hereinabove.

In terms of SEBI Master Circular, 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 SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events 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 non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

**Details of Key Intermediaries pertaining to this Offer of our Company:**

**Book Running Lead Manager**

**PNB Investment Services Limited**

PNB Pragati Towers, 2<sup>nd</sup> Floor,  
Plot No. C-9, G- Block, BKC, Bandra (E),  
Mumbai – 400 051, Maharashtra, India.

**Telephone:** +91 8435202707/8422009515

**Facsimile:** N.A.

**E-mail:** [Milan@Pnbisl.com](mailto:Milan@Pnbisl.com)

**Website:** [www.pnbisl.com](http://www.pnbisl.com)

**Investor Grievance ID:** [complaints@pnbisl.com](mailto:complaints@pnbisl.com)

**Contact Person:** Debanjan Ghatak/ Sayalee Gaikwad

**SEBI Registration Number:** INM000011617

**CIN:** U65191DL2009GOI187146

**Registrar to the Offer**

**KFin Technologies Limited**

Selenium, Tower B, Plot No-31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi – 500 032, Telangana, India

**Telephone:** +91 40 6716 2222/18 0030 94001

**Facsimile:** +91 40 6716 1563

**E-mail:** [mgl.ipo@kfintech.com](mailto:mgl.ipo@kfintech.com)

**Investor grievance:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Contact Person:** M. Murli Krishna

**SEBI Registration No.:** INR000000221

**CIN:** L72400TG2017PLC117649

**Legal Advisor to the Company**

**M/s. Desai & Diwanji**

16th Floor, Building No. 5, Tower C, DLF Eptome  
DLF Phase III, Gurugram 122002

**Tel No:** 011 4850 300 / 301

**Email:** [gaurav.bandji@desaidiwanji.com](mailto:gaurav.bandji@desaidiwanji.com)

**Website:** [www.desaidiwanji.com](http://www.desaidiwanji.com)

**Contact Person:** Mr. Gaurav Bandi

**Statutory and Peer Review Auditor of our Company**

**M/s. G M C A & Co.,**

Chartered Accountants,

101, Parishram, 5-B, Rashmi Society,  
Near LG Showroom, Mithakhali Six Road,  
Navrangpura, Ahmedabad – 380 009,  
Gujarat, India.

**Telephone:** +91 787 821 0001

**Email:** [mitt@gmca.co.in](mailto:mitt@gmca.co.in)

**Website:** [www.gmca.co.in](http://www.gmca.co.in)

**Contact Person:** CA Mitt. S Patel



**Membership No.:** 163940  
**Firm Registration No.:** 109850W  
**Peer Review Certificate No.:** 015381

**Independent Chartered Accountant**

**Abhishek Kumar & Associates**  
401, Silicon Tower, Nr. Samartheshwar Mahadev Temple,  
Law Garden, Navrangpura, Ahmedabad, 380009  
Telephone: 079-26448824  
**Email:** abhishekagrawal@yahoo.co.in  
**Website:** www.abhishekagrawal.com  
**Contact Person:** Abhishek Agrawal  
**Membership No.:** 132305

**Bankers to our Company**

**State Bank of India**  
SME GIDC Wadhwan Branch,  
Marketing yard complex, GIDC Wadhwan,  
Surendranagar, Gujarat – 363035,  
Ahmedabad, India  
**Telephone:** +91 805 111 9115  
**Facsimile:** N.A.  
**Email:** sbi.05744@sbi.co.in  
**Website:** www.bank.sbi  
**Contact Person:** Bhagirathi Majhi  
**CIN:** NAP

**Market Maker to the Offer**

The Banker(s) to the Offer shall be appointed prior to filing of the Red Herring Prospectus.

**Banker to the Offer**

The Banker(s) to the Offer shall be appointed prior to filing of the Red Herring Prospectus.

**Refund Bank**

The Refund Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

**Sponsor Bank**

The Sponsor Bank(s) shall be appointed prior to filing of the Red Herring Prospectus.

**Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus.

**Share Escrow Agent**

The Share Escrow Agent shall be appointed prior to filing of the Red Herring Prospectus.

**Designated Intermediaries**

**Self-Certified Syndicate Banks**

The list of recognised intermediaries notified by SEBI is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB branches with which an ASBA Bidder (other than a UPI Bidder 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.

### ***Syndicate SCSB Branches***

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

### ***SCSBs enabled for UPI Mechanism***

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is provided in the list available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

### ***Registered Brokers***

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres. 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 SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### ***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, is provided on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

### ***Collecting Depository Participants***

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of the Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **IPO Grading**

Since the Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency

### **Credit Rating**

As this is an Offer of Equity Shares, credit rating is not required.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Offer.

### **Brokers to the Offer**

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

### **Debenture Trustees**

As this is an Offer of Equity Shares, the appointment of Debenture trustees is not required.

### **Monitoring Agency**

As the size of the Fresh Issue exceeds ₹ 5,000.00 Lakhs, our Company will appoint a credit rating agency registered with SEBI as the Monitoring Agency to monitor the utilisation of the Gross Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Gross Proceeds, see the section titled “*Objects of the Offer*” beginning on page 106.

### **Appraising Entity**

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

### **Expert Opinion**

Our Company has received written consent dated June 25, 2025 from the Statutory Auditors 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 as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated June 25, 2025 on our restated financial information; and (ii) its report dated June 25, 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.

In addition, our Company has also received (i) written consent dated June 28, 2025 from Infomerics Analytics and Research Private Limited, in relation to the industry report with respect to our Company, (ii) written consent dated June 24, 2025 from Independent Chartered Accountant, Abhishek Kumar & Associates and (iii) written consent dated June 20, 2025 from Chartered Engineer, Prashant S. Dashputre to include their names in this Draft Red Herring Prospectus and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consents have 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.

### **Inter-se Allocation of Responsibilities**

PNB Investment Services Limited, being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Offer. Hence, a statement of inter se allocation of responsibilities is not required.

### **Filing**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the BSE, where the Equity Shares are proposed to be listed.

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

### **Changes in Auditors during the last three years**

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

<b>Name of Auditor</b>	<b>Date of Change</b>	<b>Reason for change</b>
<b>S. P. Parekh &amp; Co.,</b> Chartered Accountants, 201, Abhijyot Flats, Nr. Avanti Bungalows, Bileshwar Mahadev Road, Satellite, Ahmedabad - 380 015, Gujarat, India. <b>Telephone:</b> +91 982 576 1041 <b>Email:</b> <a href="mailto:parekhparekhass@gmail.com">parekhparekhass@gmail.com</a> <b>Contact Person:</b> CA Sunny Parekh <b>Membership No.:</b> 131188 <b>Firm Registration No.:</b> 132253W	December 15, 2023	Resigned from the post of Statutory Auditor on account of Pre-occupation.
<b>G M C A &amp; Co.,</b> Chartered Accountants, 101, Parishram, 5-B, Rashmi Society, Near LG Showroom, Mithakhali Six Road, Navrangpura, Ahmedabad - 380009, Gujarat, India. <b>Telephone:</b> +91 787 821 0001 <b>Email:</b> <a href="mailto:mitt@gmca.co.in">mitt@gmca.co.in</a> <b>Website:</b> <a href="http://www.gmca.co.in">www.gmca.co.in</a> <b>Contact Person:</b> CA Mitt. Shaileshbhai Patel <b>Membership No.:</b> 163940 <b>Firm Registration No.:</b> 109850W <b>Peer Review Certificate No.:</b> 015381	December 20, 2023	Appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor.
	September 30, 2024	Appointed as the Statutory Auditor of our Company for a period of five years.

### **BOOK BUILDING PROCESS**

Book Building, with reference to the Offer, 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 editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●], a Gujarati national newspaper (Gujarati, being the regional language of Gujarat, where our Registered Office is situated), at least two working days prior to the Bid/Offer Opening date. The Offer 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/Offer Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being PNB Investment Services Limited;

- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer and the Share Escrow Agent, in this case being KFin Technologies Limited;
- The Escrow Collection Banks/ Bankers to the Offer and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Offer 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 Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out 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 Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

All potential Bidders may participate in the Offer 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 Offer. 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, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders 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. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for Portion where allotment to each Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Individual Bidder 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 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, 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 is invited to the chapter titled “**Offer Procedure**” beginning on page 310 of the 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 Offer.

For further details on the method and procedure for Bidding, please see section entitled “*Offer Procedure*” on page 310 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 Offer. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer 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%
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 Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer 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 “*Offer Procedure*” on page 310 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 Offer 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/Offer Program:**

Event	Indicative Dates
Bid/Offer Opening Date <sup>(1)</sup>	[●]
Bid/Offer Closing Date <sup>(2)</sup>	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or before [●]

<sup>(1)</sup>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/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI (ICDR) Regulations.

<sup>(2)</sup>Our Company in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer 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/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer 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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. Our Company shall follow the timelines provided under the aforementioned circular.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Bid/Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Individual Investor and non-individual Bidders. The time for applying for Individual Applicant on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME 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/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer 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/Offer Closing Date, as is typically experienced in public Offer, 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 Offer. 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 accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

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 Applicant, 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 Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## **WITHDRAWAL OF THE OFFER**

Our Company and the Promoter Selling Shareholder in consultation with the BRLM, reserve the right to not to proceed with the Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof. If our Company withdraws the Offer any time after the Bid/ Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Offer, 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 Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with an Offer 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 Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

## UNDERWRITING AGREEMENT

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the Underwriters i.e. [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriters	No. of shares underwritten*	Amount Underwritten (₹ in Lakh)	% of the total Offer Size Underwritten
[●]	[●]	[●]	[●]

\*Includes [●] Equity shares of ₹10.00 each for cash of ₹ [●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details mentioned above have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges

**DETAILS OF THE MARKET MAKING AGREEMENT** 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 BSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of SME Platform of BSE Limited and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 2,00,000. However, the investors with holdings of value less than ₹ 2,00,000 shall be allowed to issue 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. Based on the IPO price of ₹ [●]/- per share the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by BSE.
- After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- There shall be no exemption/ threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 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 securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
- 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 Inventory Management and Buying/ Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
  - Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
  - There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
  - The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
  - 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 price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
  - The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
  - In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) 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. Further the Company reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
  - Risk containment measures and monitoring for Market Maker: SME Platform of BSE Limited will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
  - Punitive Action in case of default by Market Maker: SME Platform of BSE Limited 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 he is 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.
  - Price Band and Spreads: 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:
    - ✓ 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.
    - ✓ 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 price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
    - ✓ The following spread will be applicable on the SME Platform of BSE Limited.

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

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

<b>Offer Size</b>	<b>Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Offer Size)</b>	<b>Re-Entry threshold for buy quote (Including mandatory initial inventory of 5% of the Offer Size)</b>
Up to ₹ 20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore 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/ BSE 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.
- ✓ On the first day of listing, there will be a pre-open session (call auction) and there after 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 securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## SECTION VI - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the proposed Offer and after giving effect to the Offer, as on the date of filing of the Draft Red Herring Prospectus, is set forth below:

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Offer Price
1.	<b>Authorised Share Capital out of which:</b>		
	2,50,00,000 Equity Shares having face value of ₹ 10/- each (1)	2,500.00	-
2.	<b>Offered, Subscribed and Paid-up Share Capital before the Offer out of which</b>		
	1,65,20,876 Equity Shares having face value of ₹ 10/- each	1,652.08	-
3.	<b>Present Offer in terms of this Draft Red Herring Prospectus (2)(4)</b>		
	Offer of upto [•] * Equity Shares of face value of ₹ 10 each aggregating Up to ₹ [•] lakhs	[•]	[•]
	The Offer Consists of:		
	Upto [•] Equity Shares of face value of ₹ 10 each at cash at a price of [•] (including a Share premium of ₹ [•] per Equity Share) per share aggregating Up to ₹ 7,600 lakhs	[•]	[•]
	Offer for sale by the Promoter Selling Shareholder of up to 3,72,500 Equity Shares of ₹ 10 each at a price of ₹ [•] per equity share aggregating to ₹ [•] lakhs.(2)	[•]	[•]
4.	<b>Paid-up Share Capital after the Offer</b>		
	[•] Equity Shares of ₹ 10/- each		[•]
5.	<b>Securities Premium Account</b>		
	Before the Offer		Nil
	After the Offer		[•]

*\*Subject to finalization of the Basis of Allotment*

- (1) For details in change in Authorised Share Capital of our Company, please refer to “History and Certain Corporate Matters - Amendments to the Memorandum of Association” on page 213 of this Draft Red Herring Prospectus.
- (2) The present Offer has been authorized pursuant to a resolution of our Board dated January 20, 2025 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated January 21, 2025 under Section 62(1)(c) of the Companies Act, 2013.
- (3) The Equity Shares being offered by each of the Promoter Selling Shareholder are eligible to be offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholder has, severally and not jointly, consented to the sale of their respective portion of the Offered Shares in the Offer for Sale. For further details on the authorizations of the Promoter Selling Shareholder in relation to the Offered Shares, see the sections titled “**The Offer**” and “**Other Regulatory and Statutory Disclosures**” on pages 66 and 282, respectively.
- (4) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer 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 offered Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 1,00,000 (Rupees one lakh only) divided into 10,000 Equity Shares of ₹ 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
August 31, 2007	₹ 1,00,000 divided into 10,000 Equity Shares of face value of ₹ 10/- each	₹ 25,00,000 divided into 2,50,000 Equity Shares of face value of ₹ 10/- each	EGM
December 8, 2008	₹ 25,00,000 divided into 2,50,000 Equity Shares of face value of ₹ 10/- each	₹ 1,05,00,000 divided into 10,50,000 Equity Shares of face value of ₹ 10/- each	EGM
January 12, 2010	₹ 1,05,00,000 divided into 10,50,000 Equity Shares of face value of ₹ 10/- each	₹ 1,60,00,000 divided into 16,00,000 Equity Shares of face value of ₹ 10/- each	EGM
July 15, 2011	₹ 1,60,00,000 divided into 16,00,000 Equity Shares of face value of ₹ 10/- each	₹ 1,80,00,000 divided into 18,00,000 Equity Shares of face value of ₹ 10/- each	EGM
August 20, 2012	₹ 1,80,00,000 divided into 18,00,000 Equity Shares of face value of ₹ 10/- each	₹ 2,50,00,000 divided into 25,00,000 Equity Shares of face value of ₹ 10/- each	EGM
November 15, 2013	₹ 2,50,00,000 divided into 25,00,000 Equity Shares of face value of ₹ 10/- each	₹ 6,00,00,000 divided into 60,00,000 Equity Shares of face value of ₹ 10/- each	EGM
July 25, 2022	₹ 6,00,00,000 divided into 60,00,000 Equity Shares of face value of ₹ 10/- each	₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of face value of ₹ 10/- each	EGM
February 29, 2024	₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of face value of ₹ 10/- each	₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of face value of ₹ 10/- each	EGM

### NOTES TO THE CAPITAL STRUCTURE

#### (1.) Share Capital History of our Company:

##### Equity Share Capital

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares of face value of ₹ 10 each	Face value (₹)	Offer Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)	Cumulative Security Premium (₹)
April 25, 1995 On Incorporation*	200	10	10	Cash	Subscription to Memorandum of Association (1)	200	2,000	-
March 29, 1996	9,800	10	10	Cash	Rights Offer (2)	10,000	1,00,000	-
September 10, 2007	2,15,000	10	10	Cash	Rights Offer (3)	2,25,000	22,50,000	-
December 31, 2007	25,000	10	10	Cash	Rights Offer (4)	2,50,000	25,00,000	-
January 2, 2009	8,00,000	10	10	Cash	Rights Offer (5)	10,50,000	1,05,00,000	-
February 1, 2010	5,50,000	10	10	Cash	Rights Offer (6)	16,00,000	1,60,00,000	-
October 25, 2011	2,00,000	10	100	Cash	Rights Offer (7)	18,00,000	1,80,00,000	1,80,00,000**
September 22, 2012	80,500	10	100	Cash	Rights Offer (8)	18,80,500	1,88,05,000	72,45,000**
March 12, 2013	1,00,000	10	100	Cash	Rights Offer (9)	19,80,500	1,98,05,000	90,00,000**
December 3, 2013	40,00,000	10	10	Cash	Rights Offer (10)	59,80,500	5,98,05,000	-
August 18, 2022	34,60,000	10	10	Cash	Rights Offer (11)	94,40,500	9,44,05,000	-
March 27, 2024	70,80,376	10	N.A.	Consideration other than cash	Bonus Offer in the ratio of three (3) Equity shares for every four (4) Equity Shares <sup>(12)</sup>	1,65,20,876	16,52,08,760	-

\*The MOA of our Company was signed on April 24, 1995. However, our Company was incorporated on April 25, 1995.

\*\*As on March 31, 2024 Security premium account is nil as Bonus shares dated March 27, 2024 were issued from security premium account.

- Subscription to the Memorandum of Association dated April 24, 1995 by the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	100
2.	Yusufali Khushalbai Narsinh	100
	<b>Total</b>	<b>200</b>

2. Rights Offer of Equity Shares dated March 29, 1996 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	9,800

3. Rights Offer of Equity Shares dated September 10, 2007 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	1,40,000
2.	Yusufali Khushalbai Narsinh	70,000
3.	Mohammadali Husenali Narsinh	5,000
	<b>Total</b>	<b>2,15,000</b>

4. Rights Offer of Equity Shares dated December 31, 2007 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	25,000

5. Rights Offer of Equity Shares January 02, 2009 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	1,00,000
2.	Yusufali Khushalbai Narsinh	4,80,000
3.	Mohammadali Husenali Narsinh	1,20,000
4.	Minajbanu Husenali Narsinh	1,00,000
	<b>Total</b>	<b>8,00,000</b>

6. Rights Offer of Equity Shares dated February 01, 2010 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Mohammadali Husenali Narsinh	5,50,000

7. Rights Offer of Equity Shares dated October 25, 2011 at ₹ 100/- each having face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	2,00,000

8. Rights Offer of Equity Shares dated September 22, 2012 at ₹ 100/- each having face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	80,500

9. Rights Offer of Equity Shares March 12, 2013 at ₹ 100/- each having face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	1,00,000

10. Rights Offer of Equity Shares dated December 03, 2013 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	15,00,000
2.	Mohammadali Husenali Narsinh	10,00,000
3.	Minajbanu Husenali Narsinh	10,00,000
4.	Mohmmadhasnein Husenali Narsinh	5,00,000
	<b>Total</b>	<b>40,00,000</b>

11. Rights Offer of Equity Shares dated August 18, 2022 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	16,10,000
2.	Mohmadhasnein Husenali Narsinh	10,50,000
3.	Fatema Mohmadhasnein Narsinh	8,00,000
	<b>Total</b>	<b>34,60,000</b>

12. Bonus Offer of 70,80,376 Equity Shares dated March 27, 2024 of face value of ₹ 10/- each to the following:

S.No.	Name of Shareholders	Number of Equity Shares allotted
1.	Husenali Yusufali Narsinh	24,07,275
2.	Minajbanu Husenali Narsinh	14,17,500
3.	Mohmadhasnein Husenali Narsinh	24,07,500
4.	Fatema Mohmadhasnein Narsinh	2,85,000
5.	Arzoofatema Mohamedali Narsinh	2,77,688
6.	Jamani Mehvis Mehndihasan	2,85,225
7.	Mehandihasan Shabbirali Jamani	188
	<b>Total</b>	<b>70,80,376</b>

We confirm that our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

## (2) Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

## (3) Offer of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Offer

Except as set out below we have not offered Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares of face value of ₹ 10 each allotted	Face Value	Offer Price	Nature of allotment	Benefit accrued to our Company	Source out of which bonus shares offered
March 27, 2024	70,80,376	10	N.A.	Bonus Offer in the ratio of three (3) equity shares for every four (4) Equity Shares authorised by our Board, pursuant to a resolution passed at its meeting held on March 19, 2024 and by our Shareholders pursuant to a resolution passed at the EGM held on March 21, 2024	N.A.	Bonus Shares were offered out of General Reserve Account and Securities Premium Account.

- (1) As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- (2) Our Company has not offered any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

Our Company has not offered any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus. **Shareholding Pattern of our Company**

The table below represents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:



Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(++VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters and Promoter Group	7	1,65,20,876	-	-	1,65,20,876	100.00	1,65,20,876	1,65,20,876	100.00	-	-	-	-	-	-	1,65,20,876
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(C1)	Shares underlying depository receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7	1,65,20,876	-	-	1,65,20,876	100.00	1,65,20,876	1,65,20,876	100.00	-	-	-	-	-	-	1,65,20,876

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.

**Other details of shareholding of our Company:**

Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares of face value of ₹ 10 each	% of Shares to Pre – Offer Equity Share Capital
1.	Mohammadhasnein Husenali Narsinh	56,17,500	34.00
2.	Husenali Yusufali Narsinh	56,16,975	34.00
3.	Minajbanu Husenali Narsinh	33,07,500	20.02
4.	Jamani Mehvis Mehndihasan	6,65,525	4.03
5.	Fatema Mohammadhasnein Narsinh	6,65,000	4.03
6.	Arzoofatema Mohamedali Narsinh	6,47,938	3.92
<b>Total</b>		<b>1,65,20,438</b>	<b>99.99</b>

Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares of face value of ₹ 10 each	% of Shares to Pre – Offer Equity Share Capital
1.	Mohammadhasnein Husenali Narsinh	56,17,500	34.00
2.	Husenali Yusufali Narsinh	56,16,975	34.00
3.	Minajbanu Husenali Narsinh	33,07,500	20.02
4.	Jamani Mehvis Mehndihasan	6,65,525	4.03
5.	Fatema Mohammadhasnein Narsinh	6,65,000	4.03
6.	Arzoofatema Mohamedali Narsinh	6,47,938	3.92
<b>Total</b>		<b>1,65,20,438</b>	<b>99.99</b>

Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares of face value of ₹ 10 each	% of Shares to Pre – Offer Equity Share Capital
1.	Mohammadhasnein Husenali Narsinh	56,17,500	34.00
2.	Husenali Yusufali Narsinh	56,16,975	34.00
3.	Minajbanu Husenali Narsinh	33,07,500	20.02
4.	Jamani Mehvis Mehndihasan	6,65,525	4.03
5.	Fatema Mohammadhasnein Narsinh	6,65,000	4.03
6.	Arzoofatema Mohamedali Narsinh	6,47,938	3.92
<b>Total</b>		<b>1,65,20,438</b>	<b>99.99</b>

Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares of face value of ₹ 10 each	% of Shares to Pre – Offer Equity Share Capital
1.	Mohammadhasnein Husenali Narsinh	17,50,000	18.54
2.	Husenali Yusufali Narsinh	41,14,700	43.59
3.	Minajbanu Husenali Narsinh	25,75,000	27.28

5.	Fatema Mohmadhasnein Narsinh	10,00,000	10.59
<b>Total</b>		<b>94,39,700</b>	<b>99.99</b>

None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.

Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the offer by way of split/consolidation of the denomination of Equity Shares or further offer of Equity Shares whether preferential or bonus, rights or further public offer basis. However, our Company may further offer Equity Shares (including offer of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter:

##### *Mohamedhasanain Husenali Narsinh*

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
December 31, 2005	Transfer from Husenali Yusufali Narsinh	Cash	1	10	10	Negligible	[●]
December 3, 2013	Rights Offer to shareholders holding Equity Shares on November 16, 2013	Cash	5,00,000	10	10	3.03	[●]
March 30, 2017	Transfer by way of gift from Arzoofatema Mohamedali Narsinh	N.A.	2,00,000	10	N.A.	1.21	[●]
August 18, 2022	Rights Offer to shareholders holding Equity Shares on August 1, 2022*	Cash	10,50,000	10	10	6.36	[●]
April 4, 2023	Transfer to Jamani Mehvis Mehndihasan	Cash	(1)	10	10	Negligible	[●]
March 19, 2024	Transfer by way of gift from Husenali Yusufali Narsinh	N.A.	8,40,000	10	N.A.	5.08	[●]
March 19, 2024	Transfer by way of gift from Fatema Mohmadhasnein Narsinh	N.A.	6,20,000	10	N.A.	3.75	[●]

March 27, 2024	Bonus Offer in the ratio of three (3) Equity Shares for every four (4) Equity Shares held on March 19, 2024	Consideration on other than cash	24,07,500	10	N.A.	14.57	[●]
<b>Total</b>			<b>56,17,500</b>			<b>34.00</b>	<b>[●]</b>

***Husenali Yusufali Narsinh***

<b>Date of Allotment / Transfer</b>	<b>Nature of Transaction</b>	<b>Consideration</b>	<b>No. of Equity Shares of face value of ₹ 10 each</b>	<b>F.V (in ₹)</b>	<b>Offer / Transfer Price (in ₹)</b>	<b>% of Pre-Offer Equity Paid Up Capital</b>	<b>% of Post-Offer Equity Paid Up Capital</b>
On Incorporation	Subscription to Memorandum of Association	Cash	100	10	10	Negligible	[●]
March 29, 1996	Rights Offer to shareholders holding Equity Shares on March 13, 1996	Cash	9,800	10	10	0.06	[●]
March 31, 1999	Transfer to Minajbanu Husenali Narsinh	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Mohemadali Husenali Narsinh	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Nehalkumar Sureshbhai Kothari	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Hemendrabhai Balvantbhai Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Niravkumar Suresh Kothari	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Binanben Hamendrakumar Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Tejalben Niravkumar Kothari	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Chandrikaben Balvantray Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Shilpaben Nareshkumar Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Sureshbhai Ratilal Kothari	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Nareshbhai Balvantray Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Ratilal Ogadhbhai Kothari	Cash	(1)	10	10	Negligible	[●]

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
March 31, 1999	Transfer to Iranben Sakirbhai Dosani	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Shahibhai Moshinbhai Dosani	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Masumben Khushalbhai Narshinh	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Basiraben Khushalbhai Narshinh	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Mohamad Mosin Hajiyasur	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Rakalyaben Khushalbhai Narshinh	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to Balvantryay Khushakbhai Dubal	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to B M Dosani	Cash	(1)	10	10	Negligible	[●]
March 31, 1999	Transfer to M Y Dosani	Cash	(1)	10	10	Negligible	[●]
December 31, 2005	Transfer to Dilipkumar Kantilal Shah	Cash	(1)	10	10	Negligible	[●]
December 31, 2005	Transfer to Kiritkumar Kantilal Shah	Cash	(1)	10	10	Negligible	[●]
December 31, 2005	Transfer to Daxaben Kantilal Shah	Cash	(1)	10	10	Negligible	[●]
December 31, 2005	Transfer to Mohmmadhasnein Husenali Narsinh	Cash	(1)	10	10	Negligible	[●]
September 10, 2007	Rights Offer to shareholders holding Equity Shares on August 31, 2007	Cash	1,40,000	10	10	0.85	[●]
December 31, 2007	Rights Offer to shareholders holding Equity Shares on December 14, 2007	Cash	25,000	10	10	0.15	[●]
January 2, 2009	Rights Offer to shareholders holding Equity Shares on December 17, 2008	Cash	1,00,000	10	10	0.61	[●]

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
June 15, 2010	Transfer from Hemendrabhai Balvanray Dubal	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Binaben Hemendrakumar Dubal	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Chandrikaben Balvanray Dubal	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Shilpaben Nareshkumar Dubal	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Nareshbhai Balvanray Dubal	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Iramben Shakirbhai Dosani	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Shahinbhai Moshinbhai Dosani	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Masumben Khushalbhai Narshinh	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Basiraben Khushalbhai Narshini	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Mohamad Mosin Hajiyasur	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Rakalyaben Khushalbhai	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Balvantryay Khushalbhai	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from B.M. Dosani	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from M.Y. Dosani	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Dilipkumar Kantilal Shah	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Kiritkumar Kantilal Shah	Cash	1	10	10	Negligible	[●]
June 15, 2010	Transfer from Daxaben Kantilal Shah	Cash	1	10	10	Negligible	[●]

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
October 25, 2011	Rights Offer to shareholders holding Equity Shares on October 8, 2011	Cash	2,00,000	10	100	1.21	[●]
March 27, 2012	Transfer to Mohemadali Husenali Narsinh	Cash	(2,00,000)	10	10	(1.21)	[●]
September 22, 2012	Rights Offer to shareholders holding Equity Shares on September 6, 2012	Cash	80,500	10	100	0.49	[●]
March 12, 2013	Rights Offer to shareholders holding Equity Shares on February 23, 2013	Cash	1,00,000	10	100	0.61	[●]
December 3, 2013	Rights Offer to shareholders holding Equity Shares on November 16, 2013	Cash	15,00,000	10	10	9.08	[●]
May 1, 2018	Transfer by way of gift from Yusufali Khushal Narsinh	N.A.	5,50,100	10	N.A.	3.33	[●]
August 18, 2022	Rights Offer to shareholders holding Equity Shares on August 1, 2022	Cash	16,10,000	10	10	9.75	[●]
April 4, 2023	Transfer to Jamani Mehvis Mehndihasan	Cash	(292)	10	10	Negligible	[●]
April 4, 2023	Transfer to Arzoofatema Mohamedali Narsinh	Cash	(250)	10	10	Negligible	[●]
April 4, 2023	Transfer to Mehandihasan Shabbirali Jamani	Cash	(250)	10	10	Negligible	[●]
March 19, 2024	Transfer by way of gift to Mohmmadhasnein Husenali Narsinh	N.A.	(8,40,000)	10	N.A.	(5.08)	[●]
March 19, 2024	Transfer by way of gift to Jamani Mehvis Mehndihasan	N.A.	(65,000)	10	N.A.	(0.39)	[●]
March 27, 2024	Bonus Offer in the ratio of three (3) Equity Shares for every four (4)	Consideration other than cash	24,07,275	10	N.A.	14.57	[●]



Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
	Equity Shares held on March 19, 2024						
<b>Total</b>			<b>56,16,975</b>			<b>34.00</b>	<b>[●]</b>

***Minajbanu Husenali Narsinh***

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital
March 31, 1999	Transfer from Husenali Yusufali Narsinh	Cash	1	10	10	Negligible	[●]
January 2, 2009	Rights Offer to shareholders holding Equity Shares on December 17, 2008	Cash	1,00,000	10	10	0.61	[●]
December 3, 2013	Rights Offer of Equity Shares on November 16, 2013	Cash	10,00,000	10	10	6.05	[●]
November 02, 2016	Transfer by way of gift from Mohammadali Husenali Narsinh	NA	14,75,001	10	N.A	8.93	[●]
April 4, 2023	Transfer to Jamani Mehvis Mehndihasan	Cash	(2)	10	10	Negligible	[●]
March 19, 2024	Transfer by way of gift to Arzoofatema Mohamedali Narsinh	N.A.	(3,70,000)	10	N.A.	(2.24)	[●]
March 19, 2024	Transfer by way of gift to Jamani Mehvis Mehndihasan	N.A	(3,15,000)	10	N.A.	(1.91)	[●]
March 27, 2024	Bonus Offer in the ratio of three (3) Equity Shares for every four (4) Equity	Consideration other than cash	14,17,500	10	N.A.	8.58	[●]

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares of face value of ₹ 10 each	F.V (in ₹)	Offer / Transfer Price (in ₹)	% of Pre- Offer Equity Paid Up Capital	% of Post- Offer Equity Paid Up Capital
	Shares held on March 19, 2024						
<b>Total</b>			<b>33,07,500</b>			<b>20.02</b>	<b>[●]</b>

As on the date of the Draft Red Herring Prospectus, the Company has seven (7) members/shareholders.

The details of the Shareholding of the Promoters (also the Promoter Selling Shareholders) and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre- Offer		Post - Offer	
		Number of Equity Shares of face value of ₹ 10 each	% of Pre- Offer Equity Share Capital	Number of Equity Shares of face value of ₹ 10 each	% of Post- Offer Equity Share Capital
Promoter (also the Promoter Selling Shareholders)					
1.	Mohmmadhasnein Husenali Narsinh	56,17,500	34.00	[●]	[●]
2.	Husenali Yusufali Narsinh	56,16,975	34.00	[●]	[●]
3.	Minajbanu Husenali Narsinh	33,07,500	20.02	[●]	[●]
	Total – A	1,45,41,975	88.02	[●]	[●]
Promoter Group					
1.	Jamani Mehvis Mehndihasan	6,65,525	4.03	[●]	[●]
2.	Fatema Mohmadhasnein Narsinh	6,65,000	4.03	[●]	[●]
3.	Aarzoo Mohamadali Narsinh	6,47,938	3.92	[●]	[●]
4.	Mehndihasan Shabbirali Jamani	438	Negligible	[●]	[●]
	Total – B	19,78,901	11.98	[●]	[●]
	Total – C (A+B)	1,65,20,876	100	[●]	[●]

Except as disclosed in “Shareholding of our Promoters”, Our Promoters who are also the Selling Shareholders, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange.

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

#### Promoters’ Contribution and other Lock-In details:

As per sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Offer Capital shall be considered as Promoter’s Contribution.

Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the Post-Offer Equity Share Capital of our Company as Promoter’s Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter’s Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above. In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoter’s Contribution as

mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

A per regulation 238 (b) promoters' holding in excess of minimum promoters' contribution shall be locked in as follows:

“(i) fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and

(ii) remaining fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.”

We further confirm that Minimum Promoter's Contribution of 20% of the post offer paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoter's Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

**Following are the details of Minimum Promoters' Contribution:**

Number of Equity Shares locked-in*(1)(2)(3)	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Offer / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Offer paid-up capital	Period of lock-in
<b>Mohmmadhasnein Husenali Narsinh</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Husenali Yusufali Narsinh</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Minajbanu Husenali Narsinh</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
TOTAL	[●]					[●]	

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see “Details of the Build-up of our Promoters' shareholding” on page 86.

The Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoter's contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Offer.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters Contribution, which is locked in for three years, shall be locked in for a period of as follows:

(i) fifty percent. of promoter's holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and

(ii) remaining fifty percent. of promoter's holding in excess of minimum promoters' contribution shall be

locked in for a period of one year from the date of allotment in the initial public offer.

We confirm that the minimum Promoter's contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus offer by utilisation of revaluation reserves or unrealised profits of the offered or from bonus offer against equity shares which are ineligible for minimum Promoter's contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Offer Price;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, 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.

#### ***Equity Shares locked-in for one year other than Minimum Promoter's Contribution***

In addition to the Promoter's Contribution that are locked-in for three years as the minimum Promoter's contribution, the promoters and public shareholding Pre-Offer Equity Share Capital of our Company, shall be locked in for a period of one year from the date of Allotment in the Public Offer. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Lock-in of the Equity Shares to be allotted, if any, to the Anchor Investors***

One half of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

#### ***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.

#### ***Pledge of Locked in Equity Shares***

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

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

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

#### ***Transferability of Locked in Equity Shares***

a. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

b. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.

There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

There neither have been and there will be no further offer of Equity Shares whether by way of offer of bonus shares, preferential allotment, rights offer or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.

Our Company has no outstanding warrants, options to be offered or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

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 the Draft Red Herring Prospectus and the date of closure of the Offer, shall be reported to the Stock Exchanges within 24 hours of the transaction.

All Equity Shares offered pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

Except for Mohmmadhasnein Husenali Narsinh and Husenali Yusufali Narsinh who are our Promoters (also the Selling Shareholders) in this Offer, none of our members of our Promoter Group will participate in the Offer.

**Except the following, none of our Directors, Key Management Personnel and Senior Management holds any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus:**

Sr. No.	Name of the Shareholders	Pre-Offer		Post – Offer	
		Number of Equity Shares of face value of ₹ 10 each	Number of Equity Shares of face value of ₹ 10 each	Number of Equity Shares of face value of ₹ 10 each	% of Post-Offer Equity Share Capital
1.	Mohmmadhasnein Husenali Narsinh	56,17,500	34.00	[●]	[●]
2.	Husenali Yusufali Narsinh	56,16,975	34.00	[●]	[●]
3.	Minajbanu Husenali Narsinh	33,07,500	20.02	[●]	[●]
	<b>Total</b>	<b>1,45,41,975</b>	<b>88.02</b>	<b>[●]</b>	<b>[●]</b>

Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.

Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “Offer Procedure” beginning on page 310 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.

An investor cannot make an application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

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 effected in accordance with applicable laws, rules, regulations and guidelines.

No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.

As on date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Offer.

We confirm that none of the investors of our Company are directly/indirectly related with Book Running Lead Managers and their associates

## SECTION VII – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The offer constitutes a fresh Issue of Up to [●] Equity Shares having face value of ₹ 10 each of our Company at an Issue Price of ₹ [●]/- per Equity Share aggregating up to ₹ 7,600 lakhs. This offer also includes an Offer for sale comprising of 3,72,500 equity shares of face value of ₹ 10 each aggregating up to [●] lakhs by the Promoter Selling Shareholder.

#### The Objects of the Offer

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

1. Investment in our Subsidiary, MAH Textiles LLP\* in the form of equity capital (post conversion) for financing the construction of factory building, factory shed and cost of equipment and machinery for the manufacturing unit of dyeing and printing of knitted fabric located at Limbdi, Surendranagar, Gujarat (**“Proposed Project”**)
2. Funding its incremental working capital requirements;
3. General Corporate Purposes

(Collectively referred as the **“objects”**)

\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association of our Company enable us: (i) to undertake our Company’s existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the BSE SME, including enhancing its visibility and brand image, and creating a public market for the Equity Shares of our Company.

#### Net Proceeds

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

(₹ in lakhs)

Particulars	Estimated amount
Gross proceeds from the offer	7,600
<b>Less:</b> Estimated offer related expenses <sup>(1)(2)</sup>	[●]
<b>Net Proceeds<sup>(2)</sup></b>	<b>[●]</b>

<sup>(1)</sup> For details of the expenses related to the offer, see “—Offer Expenses” on page 106.

<sup>(2)</sup> To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

#### Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

(in ₹ lakhs)

Particulars	Estimated amount
Investment in our Subsidiary for financing Proposed Project	3,420
Funding Company’s incremental working capital requirements	2,480
General corporate purposes <sup>(1)</sup>	[●]
<b>Net Proceeds<sup>(1)</sup></b>	<b>[●]</b>

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

### Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Total estimated cost (A) <sup>(1)</sup>	Amount to be funded from Internal Accruals (B)	Amount to be funded from Banks/ Financial Institutions (C)	Amount to be funded by Promoters <sup>(3)</sup> (D)	Amount to be funded from Net Proceeds (E) = (A) - (B) - (C) - (D)	Amount to be deployed from the Net Proceeds in	
							Fiscal 2026	Fiscal 2027
1.	Investment in our Subsidiary for financing Proposed Project	9,000	-	5,200	380	3,420	3,420	-
2.	Funding Company's incremental working capital requirements	2,480	-	-	-	2,480	2,000	480
3.	General corporate purposes <sup>(2)</sup>	[●]	-	-	[●]	[●]	[●]	[●]
	<b>Total<sup>(2)</sup></b>	[●]	-	5,200	[●]	[●]	[●]	[●]

<sup>(1)</sup> Total estimated cost as per internal management estimates and Project Report and corrigendum in respect of Proposed Facility dated March 22, 2025 and June 20, 2025 respectively issued by Pranav R. Shah & Co. Chartered Accountant.

<sup>(2)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for General Corporate Purposes will not exceed 15% of the Gross Proceeds from the Offer or ₹ 1,000.00 lakhs, whichever is lower.

<sup>(3)</sup> The Partners of MAH Textiles LLP, Mr. Mohmmadhasnein Husenali Narsinh and Mr. Husenali Narsinh will contribute 5% each amounting to ₹ 380 Lakhs.

We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business plan as approved by our Board of Directors pursuant to their resolutions dated June 25, 2025, management estimates based on the prevailing market conditions, other commercial and technical factors including interest rates and other charges, quotations received from certain vendors, the project report titled "Project Report" and "Corrigendum" dated March 22, 2025 and June 20, 2025 respectively issued by Pranav R. Shah & Co. Chartered Account. However, given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. For further details, see Risk Factors—on page 28. Our historical expenditure may not be reflective of our future expenditure plans.

Moreover, 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 utilised in the subsequent financial year, 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 way of 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 utilisation 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 utilised towards general corporate purposes will not exceed 15% of the Gross Proceeds from the Offer or ₹ 1,000.00 lakhs, whichever is lower, in accordance with the SEBI ICDR Regulations.

The Subsidiary has applied for subsidy benefits under the Gujarat Textile Policy – 2024 in respect of the manufacturing project being undertaken by MAH Textiles LLP. The subsidy under the Gujarat Textile Policy 2024 under the following heads has been applied by the Subsidiary:

1. Capital Subsidy 20%
2. Interest Subsidy 7%, and
3. Subsidy in Power Tariff of ₹ 1/- per unit for textile sector for 5 years

In case of delays in raising funds from the offer, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Net Proceeds. We further confirm that no part proceed of the offer shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

#### Means of finance

The fund requirements set out for the aforesaid Objects are proposed to be met from the Net Proceeds, internal accruals, contribution from the partners of subsidiary and financing arrangements from the Bank. Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under

Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Net Proceeds and existing identifiable internal accruals).

No TEV study has been undertaken for the Proposed Project. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the proposed Projects as described herein are based on the internal management estimates and the Project Report and corrigendum issued by Pranav R. Shah & Co. Chartered Account dated March 22, 2025 and June 20, 2025 respectively. For further details, see “*Risk Factors*” on page 28. 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 the Offer

##### 1. Investment in our Subsidiary:

Our Company proposes to utilize ₹ 3,420 lakhs from the Net Proceeds towards investment in our Subsidiary, MAH Textiles LLP, in the form of equity capital (post conversion) for financing construction of factory building, factory shed and the cost of equipment and machinery of the manufacturing unit of MAH Textiles LLP\* located at Limbdi, Surendranagar, Gujarat (“*Proposed Project*”).

We believe that the said investment in our subsidiary will enhance the value of our investment and be in furtherance to our growth strategies.

*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

#### Summary of Investment to be made in MAH Textiles LLP (Subsidiary)

Particulars	Status
Amount of Investment / Inflow	₹ 3,420 Lakhs
Details of the Form of Investment**	Equity capital as decided by the management

Particulars	Status
If the form of Investment has not been decided, a statement to that effect	Not Applicable
If the Investment is in debt instrument, complete details regarding rate of Interest, Whether secured or unsecured	Not Applicable
The nature of the Benefit expected to accrue as a result of the investment	The revenue and profits generated by the subsidiary will be directly contributed to our company's consolidated profit.

For details of our subsidiary i.e. MAH Textiles LLP\* and summary of its financial information, please see **“Our Subsidiaries”** on page 238.

\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.

\*\* Investment will be in the form of equity capital which would be infused in MAH Textile LLP after conversion into private limited and post conclusion of IPO.

Currently, Company is engaged in production of open-end yarn, cotton bales and cotton seeds through the process of ginning and pressing of cotton and is also into trading of multiple commodities. The Company proposes to increase their current portfolio by increasing its capital contribution in the form of equity capital (post conversion) in the Subsidiary and by setting up a manufacturing plant of dyeing and printing of fabric.

#### Existing & Proposed Capacity

Following is the existing and proposed installed capacity of our Company and our Subsidiary:

#### Milan Ginning Pressing Limited

Products (Capacity in M.Ton)	December 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Capacity Installed	Capacity Utilisation	Capacity Installed	Capacity Utilisation	Capacity Installed	Capacity Utilisation	Capacity Installed	Capacity Utilisation
Cotton Bales	7,000	2,794	7,000	5,660	7,000	5,522	7,000	5,263
Cotton Yarn	2,430	1,279	2,430	1,980	2,430	1,477	NA	NA

#### MAH Textiles LLP

Particulars	Estimated month of completion and operationalisation	Capacity (In Tons)	Products range
Existing Capacity	Nil	Nil	Nil
Proposed Capacity	July 2026	4,200	Dyeing and printing of fabric

The Subsidiary of the Company has taken on lease the land situated at Revenue Survey No. 942 and 943, Untadi, Limbdi, Surendranagar Gujarat from Mrs. Minajbanu Husenali Narsinh, Promoter of our Company. Our Company will contribute through the offer proceeds in the Subsidiary for construction of the building and shed and upon completion of the construction, the Subsidiary shall install necessary plant and machinery, procured through the funds raised in the offer by our Company and will be contributed in the subsidiary in the form of equity capital (post conversion). Following the fulfilment of all requisite regulatory and operational conditions, the subsidiary will commence its manufacturing operations from the newly established facility from July 2026.

### Estimated Proposed Project Cost

The total estimated cost of the Proposed Project is ₹ 9,000 lakhs as certified by Pranav R. Shah & Co. Chartered Accountant vide their Project Report and corrigendum dated March 22, 2025 and June 20, 2025 respectively. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers and other commercial and technical factors.

In relation to the purchase of machinery as set out below, our Subsidiary has not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Subsidiary and based on estimates of our management. The list of machinery items provided is based on the current estimates & there can be variations in the cost at the actual ordering of the machines. Apart from this there can be variations in the nature of machines depending upon the business requirements at the time of actual procurement. As a result the list of machines will undergo change. Hence there can be addition of new machines or deletion from existing list.

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

(₹ In lakhs)

Sr. No.	Particulars	Total estimated cost (A)	Amount to be funded from Banks/ Financial Institutions (B)	Balance amount proposed to be funded C = (A) – (B)
1.	Building construction and civil works	2,100	1,575	525
2.	Purchase of Plant and machinery <sup>^</sup>	6,166.67	3,625	2,541.67
3.	Working Capital Margin	213.33		213.33
4.	Pre-Operative Expense	50		50
5.	Interest during construction	370		370
6.	Deposit	100		100
<b>Total</b>		<b>9,000</b>	<b>5,200</b>	<b>3,800</b>
<b>Amount proposed to be funded from the Net Proceeds</b>				<b>3,420</b>
<b>Balance amount to be funded through Partner's contribution</b>				<b>380</b>

*Note: The Company has not carried TEV study for proposed project and has relied on internal management estimates and the Project report and subsequent corrigendum as certified by Pranav R. Shah & Co. Chartered Accountant dated March 22, 2025 and June 20, 2025 respectively.*

<sup>^</sup> *Most of the quotations are exclusive of taxes and duties, freight and insurance which will be on actual basis. Company will utilise the mentioned cost from general corporate purpose or from existing internal accruals of the Company or any further deficit will be funded by both Individual Partners of MAH Textiles.*

The current estimates and specifications in relation to the capital expenditure requirements of the Proposed Project are based on the quotations of the vendors. Additionally, we have been able to obtain only 1 quotation each for all the plant and machinery proposed to be purchased from the offer proceeds.

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

We will place orders for the assets for which orders are yet to be placed as per the schedule of implementation for the Proposed Project. For further details see “Risk Factors” on page 28.

### Break-up of the estimated cost

#### Land Cost

The land on which the new manufacturing plant will be set up is located at Revenue Survey No. 942 and 943 Untadi, Limbdi, Surendranagar Gujarat, admeasuring to approximately 24585 square meters. The land is leased

at a cost of ₹ 1000 per month plus Goods and Service Tax if applicable for a period of 15 years vide Lease Deed dated June 27, 2025 which was executed between Mrs. Minajbanu Husenali Narsinh and our Subsidiary. Amount of ₹ 11,000 as deposit has already been paid by the Subsidiary to Mrs. Minajbanu Husenali Narsinh out of internal accruals.

#### **Building construction and civil works**

Our Subsidiary has taken on lease, the property situated at Survey Number 942 and 943, Utandi, Limbdi, Dist. Surendranagar from Mrs. Minajbanu Husenali Narsinh, Promoter of our Company. The construction of the factory building and shed will be partly funded through offer proceeds and partly from the financial institutions and our Company has obtained quotation for the construction. As part of the Project, our Company has obtained quotation from Universal Hunt Private Limited to undertake construction of a manufacturing facility, which mainly comprises of site development, construction of building and shed, drainage trenches.

**The details of costing of such Civil & Structural Work, site development is set forth below:**

(₹ in lakhs)

Particulars	Date of purchase order/ quotation	Estimated cost
Civil Construction Estimates	Quotation dated June 10, 2025, with a validity up to 90 days from the offer.	2,100
<b>Total</b>		<b>2,100</b>

#### **Purchase of plant and machinery**

Our Company through its Subsidiary has identified the plant and machinery it intends to purchase and install at the Proposed Project, the details of machines are as follows.

Estimated Total Cost for purchase of Plant and Machinery is ₹ 6,166 lakhs, out of which Plant and Machinery of approx ₹ 4,259 lakhs are indigeneous and Imported Plant & Machinery constitute ₹ 1,907 lakhs.

#### **List of Indegenious Machineriies**

(₹ in Lakhs)

SR. NO.	PROCESS	Vendor	Price	Quotation Date	Expiry/ Validity
	<b>Soft flow Fabric Dyeing Machines 9/10 TPD</b>				
	<b>Finishing - Tubular &amp; Open width</b>				
	<b>Process</b>				
1	Reversing Machine	RVR Machinery Manufacturers (P) LTD	7.85	June 07, 2025	September 07, 2025
2	Baloon Padder	Universal Engineering	55.45	June 04, 2025	90 days
3	Slit Opener with bio wash tank	Vendor 1*	102.50	June 05, 2025	60 days

4	Gumming + Cutting	Vendor 1*	13.25	June 09, 2025	60 days
5	Stenter (8 Chamber) with double padder	Yamuna Machine Works	281.50	May 27, 2025	60 days
6	Stenter (10 Chamber) with double padder	Universal Engineering	299.50	June 04, 2025	90 days
7	Relax Dryer tubular + Open width (W)	Yamuna Machine Works LTD	135.00	May 27, 2025	60 days
8	Rotary Printing 8/12 colour	Vendor 2*	535.00	June 09, 2025	90 days
9	Universal Ager	Vendor 3*	117.05	June 04, 2025	60 days
10	Print washing	Yamuna Machine Works LTD	385.00	May 27, 2025	60 days
11	Engraving shop – All other accessories Climatizor, Gluer, Polymeriser, stripping and enduring remover, Ancillary Equipment, Fabric Inspection	Vendor 2*	31.00	May 04, 2025	90 days
12	Grey Inspection: TUBULAR: BOTH SIDE - 2NOS	RVR Machinery Manufacturers (P) LTD	9.70	June 07, 2025	September 07, 2025
13	Open Width Tensionless 2 Nos.	RVR Machinery Manufacturers (P) LTD	15.50	June 07, 2025	September 07, 2025
14	Open Width Tensionless: R - T & T - T - 2 Nos.	RVR Machinery Manufacturers (P) LTD	25.70	June 07, 2025	September 07, 2025
15	Trolley/MHE/ware house Rack/Pallet, Furniture, lab furniture (Circular Trolley - 9Nos.,Horse Back Trolley-9Nos.& Box Trolley-7 Nos) Roll Opening Machine Preparation + stitching machine	Vendor 4*	12.64	June 06, 2025	90 days
16	Laboratory Equipment	MAG Solvics Private Limited	34.49	May 29, 2025	60 days
	<b>(A) Total Machineries &amp; Equipment</b>		<b>2061.14</b>		
	<b>Utility Machinery</b>				
17	Hydrant + Fire Safety system	Universal Hunt Private Limited	39.00	June 10, 2025	90 days
18	Steam Boiler 10TPH - 10.54	Vendor 5*	274.60	June 10, 2025	90 days

	KG./CM <sup>2</sup> + Bag filter+ internals				
19	Thermic Fluid Heater + ESP+WATER SCRUBBER+CHIMNEY	Vendor 5*	173.00	June 10, 2025	90 days
20	ELCTRIFICATION	Vendor 6*	288.41	June 09, 2025	90 days
21	COMPRESSOR +Dryer + Receiver + filter MISCELLENOUS UTILITY: WTP + RO for BFW, STP Drinking water, Softening	Vendor 7*	28.67	June 04, 2025	60 days
22	ZLD +STP	Vendor 8*	1385.00	May 19, 2025	90 days
23	MISCELLENOUS		8.90		
	<b>(B) Total Utility Machinery</b>		<b>2197.59</b>		
	<b>(C) Total Indigenous Machineries (A+B)</b>		<b>4258.73</b>		
	<b>Production Building-Factory Shed</b>				
	<b>Production Building &amp; plant construction cost</b>	Universal Hunt Private Limited	<b>2100.93</b>	June 10, 2025	90 days
	<b>(D) Building &amp; Factory Shed</b>		<b>2100.93</b>		
	<b>Total (C+D)</b>		<b>6359.66</b>		

**List of Imported machineries**

**(₹ in Lakhs)**

Sr. No.	PROCESS	Vendor	Price	Quotation Date	Expiry/ Validity
	<b>Soft flow Fabric Dyeing Machines 9/10 TPD</b>				
1	SAMPLING MACHINES soft flow 20 Kgs Rs.83 Per USD	Vendor 1*	66.02	June 03, 2025	60 days
2	50 Kgs - 1 No. 50 Kgs	Vendor 1*	75.28	June 03, 2025	60 days
3	250 kgs - 2Nos. 150-200 kgs	Vendor 1*	337.95	June 03, 2025	60 days

4	500 kgs - 2 Nos 300-400 kgs	Vendor 1*	461.56	June 03, 2025	60 days
5	750 kgs - 1 Nos 450-600 kgs	Vendor 1*	292.04	June 03, 2025	60 days
6	1000 kgs - 1 Nos 600-800 kgs	Vendor 1*	352.47	June 03, 2025	60 days
7	Compactor tubular Price in EURO Conversion + extra Rs. 93.5 Per EURO	Vendor 2*	137.44	May 29, 2025	90 days
8	Compactor Open Width Felt Price in EURO Conversion + extra Rs. 93.5 Per EURO	Vendor 2*	184.19	May 29, 2025	90 days
	<b>Total Imported Machineries</b>	<b>Total</b>	<b>1906.99</b>		

*\*Since the relevant vendor consents not been received hence the names have not been specified.*

### Government Approvals

In relation to the Proposed Facility, we are required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below as per Chartered Engineer's Certificate dated June 16, 2025, issued by

Sr. No.	Particulars	Stage when it is required	Status
1.	Certificate of Incorporation	Pre-Construction stage	Available
2.	Environment Clearance	Pre-Construction stage	Available
3.	Consent to establish	Pre-Construction stage	Available
4.	NOC from Local body / Authority	Pre-Construction stage	Yet to be applied
5.	Permission for erection boiler	During Construction stage	Will apply as and when due
6.	Approval for usage of power	Post-Construction stage	Will apply as and when due
7.	Approval for usage of water	Post-Construction stage	Will apply as and when due
8.	License from Petroleum & Explosive Safety Organization (PESO) for storage of fuel oil	Post-Construction stage	Will apply as and when due
9.	Fire NOC	Post-Construction stage	Will apply as and when due

### Other confirmations

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the machinery / equipment at the same costs. We are yet to place orders for any of the machinery / components of the Proposed Project. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates. Further, for risk arising out of the Objects, see "Risk Factors" on page 28 of this Draft Red Herring Prospectus. This includes financing the cost of establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

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

None of the vendors from whom we have procured quotations of Plant & Machineries are related or connected to our Company, Promoters, Directors, Key Managerial Personnel, Senior Management and Group Companies. Our Promoters, Directors, Key Managerial Personnel, Senior Management Personnel and Group Companies do not have any interest in the proposed construction of building and Purchase of Plant & machineries.

### 2. Funding our incremental working capital requirements

We have historically funded a majority of our Company's working capital requirements in the ordinary course of business from our internal accruals and financing from banks. The requirement is variable in nature with the growth of our Company. As of nine months period ended December 31, 2024, our Company's working capital facilities consisted of an aggregate sanctioned limit of ₹ 2,500 lakhs. For details, see "Financial Indebtedness"

beginning on page 260. Our Company requires additional working capital for funding its incremental working capital requirements in Fiscal 2026 and Fiscal 2027. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan.

#### Basis of estimation of working capital requirement

Net Working Capital requirement of our Company based on restated standalone audited financials as on December 31, 2024 was ₹ 3,699.93 lakhs, March 31, 2024 was 2,807.18 Lakhs as against that of ₹ 2,771.53 Lakhs as on March 31, 2023 and ₹ 2,231.08 lakhs as on March 31, 2022. The Net Working capital requirements is estimated to be ₹ 4,364.20 Lakhs, ₹ 7,964.59 Lakhs and ₹ 10,516.16 lakhs for the financial year ended March 31, 2025, March 31, 2026 and March 31, 2027 respectively. The Company will meet the requirement to the extent of ₹ 2,480 Lakhs from the Net Proceeds of the Offer and balance from existing borrowings and internal accruals at an appropriate time as per the requirement.

The details of our Company's working capital as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, derived from and the source of funding, as certified by M/s. GMCA & Co., Chartered Accountants, our Peer review auditors, through their certificate dated June 25, 2025 are set out in the table below:

(₹ in lakhs)

Particulars	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Inventories	2,058.24	2,370.71	1,741.37	2,552.15
Trade receivables	15,638.94	12,612.26	6,762.60	8,228.48
Cash and cash equivalents	43.06	33.88	293.03	167.46
Other current Assets	4,107.95	3,722.49	2,468.54	3,042.60
<b>Total Current Assets (A)</b>	<b>21,848.19</b>	<b>18,739.35</b>	<b>11,265.54</b>	<b>13,990.69</b>
Trade payables	16,226.45	13,802.28	7,608.18	10,201.77
Other Current Liabilities	1,608.26	1,670.85	709.32	1,478.58
Short-term provisions	313.54	459.04	176.51	79.27
<b>Total Current Liabilities (B)</b>	<b>18,148.26</b>	<b>15,932.16</b>	<b>8,494.01</b>	<b>11,759.61</b>
<b>Net working capital requirements (A-B)</b>	<b>3,699.93</b>	<b>2,807.18</b>	<b>2,771.53</b>	<b>2,231.08</b>
<b>Funding Pattern</b>				
(a) Internal accruals/Existing Net worth	1,203.72	541.78	623.93	34.89
(b) Short term borrowings and Unsecured loans	2,496.21	2,265.41	2,147.60	2,196.19

#### Estimated working capital requirements:

We propose to utilize ₹ 2,480 lakhs from the Net Proceeds till the financial year ended March 31, 2027, out of which ₹ 2,000 lakhs will be utilized in the financial year ended on March 31, 2026 and the remaining amount i.e. ₹ 480 lakhs in financial year ended on March 31, 2027, towards our Company's working capital requirements. On the basis of our existing working capital requirements, management estimates and estimated working capital requirements, our Board of Directors pursuant to a resolution dated June 25, 2025 has approved the projected working capital requirements for the financial years ended as at March 31, 2026 and March 31, 2027. See "Material Contracts and Documents for Inspection – Material Documents" on page 265. The proposed funding of such working capital requirements is set forth below:

(₹ in lakhs)

Particulars	Provisional	Projected	
	March 31, 2025	March 31, 2026	March 31, 2027
Inventories	2,128.23	2,628.24	2,776.24
Trade receivables	10,662.60	16,700.00	17,300.00
Cash and cash equivalents	5.00	10.00	10.50
Other current assets	2,979.43	4,522.00	5,738.81



Particulars	Provisional	Projected	
	March 31, 2025	March 31, 2026	March 31, 2027
<b>Total Current Assets (A)</b>	<b>15,775.26</b>	<b>23,860.24</b>	<b>25,825.55</b>
Trade payables	10,188.78	14,500.00	13,600.00
Other Current Liabilities	806.28	979.73	1,028.72
Short-term provisions	416.00	415.92	680.67
<b>Total Current Liabilities (B)</b>	<b>11,411.06</b>	<b>15,895.65</b>	<b>15,309.39</b>
<b>Net working capital requirements (A-B)</b>	<b>4,364.20</b>	<b>7,964.59</b>	<b>10,516.16</b>
<b>Funding Pattern</b>			
(a) Internal accruals	1,660.67	3,235.78	7,307.35
(b) Short term borrowings	2,703.53	2,728.81	2,728.81
(c) Amount proposed to be utilised from Net Proceeds	<b>NIL</b>	<b>2,000.00</b>	<b>480.00</b>

Source: Based on certificate by our Peer review Auditor, M/s. GMCA & Co., Chartered Accountants vide its certificate dated June 25, 2025.

#### Assumptions for working capital requirements:

The table below sets forth the details of holding levels **(with days rounded to the nearest whole number)** of our Company for the period ended December 31, 2024, for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 as well as projections for the Financial Year ended March 31, 2025, March 31, 2026 and March 31, 2027.

Particulars	Holding level (in Days)						
	Restated				Provisional	Projected	
	31-Mar-22	31-Mar-23	31-Mar-24	31-Dec-24	31-Mar-25	31-Mar-26	31-Mar-27
<b>Inventory</b>							
Number of Days for Raw Material	8	12	9	10	11	9	9
<b>Trade Receivables</b>							
Number of Days of Trade Receivables	24	40	39	58	52	49	51
<b>Trade Payables</b>							
Number of days of Trade Payable	27	49	45	65	57	47	44

#### Note:

1. Holding period level days of Trade Receivables is calculated by dividing average trade receivables for the year/period by revenue from operations multiplied by number of days in the year/period.
2. Holding period level in days of Inventory is calculated by dividing average inventory for the year/period by Cost of goods sold multiplied by number of days in the year/period.
3. Holding period level in days of Trade Payables is calculated by dividing average trade payables for the year/period by Cost of goods sold multiplied by number of days in the year/period.

Source: Based on certificate by our Peer review auditor, M/s. GMCA & Co., Chartered Accountants vide its certificate dated June 25, 2025.

Our Company's estimated working capital requirements are based on the following key assumptions:

Sr No	Particulars	Details
<b>Current Assets</b>		
1.	Trade Receivables	The Company reported trade receivable days of 39 and 58 for FY 2024 and the stub period ended December 31, 2024, respectively. For FY 2025 to FY 2027, the Company expects receivable days to gradually reduce from 52 to 51 days. The increase in trade receivables during the stub period and FY 2025 reflects the Company's customer acquisition strategy and the extension of more competitive credit terms to support top-line growth. The same is envisaged to be supported through proceeds from the Offer. From FY 2026 onward, receivable days are projected to improve due to strengthened credit monitoring systems and a maturing customer base.
2.	Inventory	During the financial year ended March 31, 2024, and the stub period ended December 31, 2024, the Company maintained an inventory holding period of 9 and 10 days respectively. For FY 2025, the Company estimates an inventory holding period of 11 days, which is expected to normalize to 9 days for FY 2026 and FY 2027, in line with operational efficiency and business cycle trends. The marginal increase in inventory days in FY 2025 is driven by the anticipated scaling of operations, requiring enhanced stock availability to meet increased demand and reduce fulfillment lead times. The Company believes that this strategic stocking, enabled by the proposed fund infusion, will support revenue growth. From FY 2026 onwards, with improved supply chain controls and turnover efficiency, inventory days are expected to stabilise at optimal levels.
<b>Current Liabilities</b>		
3.	Trade Payables	Trade payables were maintained at 45 days in FY 2024 and increased to 65 days in the stub period, supported by vendor credit terms. For FY 2025 to FY 2027, the payable days are projected to moderate to 57, 47, and 44 days respectively. The projected reduction in payable days reflects the Company's strategy to capitalise on early payment incentives and negotiate favorable pricing terms with vendors using improved liquidity post-IPO. This approach is expected to result in cost efficiencies and stronger supplier relationships.

Further, actual working capital requirements may eventually vary from the aforementioned estimated working capital requirements. The aforementioned estimates for the working capital requirements for Fiscal 2025, Fiscal 2026 and Fiscal 2027, are based on the actual working capital requirements for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the period ended December 31, 2024 and are also provided after taking into consideration various factors, including, market opportunities, expected capacity utilization, product portfolio, sanctioned fund-based limits of working capital facilities.

### 3. General Corporate Purpose

Our management, will have flexibility in utilizing the balance Net Proceeds, aggregating to [●] towards general corporate purposes, subject to such utilisation not exceeding 15% of the Gross Proceeds from the offer or ₹ 1,000.00 lakhs, whichever is lower, in accordance with Regulation 230(2) of the SEBI ICDR Regulations, including but not restricted to, the following:

- acquisition/hiring of land/property for building up corporate house,
- to enter into strategic alliances with other body corporates for expansion of our business in abroad or in India.
- funding growth opportunities;

- servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- additional working capital;
- meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- strategic initiatives and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.

#### 4. Offer Related Expenses

The offer expenses are estimated to be approximately ₹ [●] lakhs. The offer expenses comprises of, among other things, listing fee, underwriting fee, selling commission and brokerage, fee payable to the BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

All costs, charges, fees and expenses associated with and incurred in connection with the offer, including corporate advertisements, offer advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar’s fees, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors, listing fees shall be borne by our Company. The fees of the BRLMs shall be paid directly from the public issue account(s) where the proceeds of the offer have been received, and immediately upon receipt of final listing and trading approvals from the Stock Exchanges, in the manner as may be set out in the escrow and sponsor bank agreement. In the event that the offer is postponed or withdrawn or abandoned for any reason or the offer is not successful or consummated in terms of the Offer Agreement, all costs and expenses with respect to the offer shall be borne by our Company, in accordance with Applicable Laws.

The estimated offer related expenses are as follows:

Particulars	Estimated Expenses <sup>(1)</sup> (₹ in Lakhs)	Expenses (% of Total Offer expenses)	Expenses (% of Gross Proceeds)
Fees payable to Book Running Lead Manager (inclusive of underwriting commission, brokerage and selling commission)	[●]	[●]	[●]

Particulars	Estimated Expenses <sup>(1)</sup> (₹ in Lakhs)	Expenses (% of Total Offer expenses)	Expenses (% of Gross Proceeds)
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
<b>Others including but not limited to:</b>			
Fees payable to legal counsel;	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Printing and distribution of stationery;	[●]	[●]	[●]
Advertising and marketing expenses;	[●]	[●]	[●]
Fees payable to Peer Review Auditor, Independent Chartered Engineer, practicing Company Secretary, Project Report Consultant, or any other Professional and Secretarial Work	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Years)	[●]	[●]	[●]
Selling Commission/processing fee for SCSBs, Sponsor Bank(s) and fees payable to sponsor bank(s) for bids made by RIBs, Bankers to the Officer, Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Miscellaneous expenses	[●]	[●]	[●]
<b>Total Estimated Offer Expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

**Notes:**

- Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price.
- Up to [●], Our Company has deployed/incurred expense of ₹ [●] Lakhs towards Offer Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor, certificate dated June 25, 2025. Any expenses incurred towards aforesaid offer related expenses till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the offer.
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
 

Portion for RIIs [●]% or ₹ [●] whichever is less ^ (exclusive of GST)

Portion for NIIs [●]% or ₹ [●] whichever is less ^ (exclusive of GST)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Offer Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ [●] (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers will be entitled to a commission of ₹ [●] (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for

processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.

6. SCSBs would be entitled to a processing fee of ₹ [●] (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
7. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ [●] (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
8. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

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/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 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

### Schedule of implementation

The schedule of implementation of the Proposed Project is set forth below:

Particulars	Estimated date of commencement	Estimated date of completion
Land <sup>(1)</sup>	-	Completed
Building Construction and civil work	June 2025	March 2026
Power Connection	-	June 2025
Identification and order of Plant & Machineries	-	October 2025
Delivery of Plant & Machineries	-	December 2025
Installation work	-	April 2026
Trial run	-	May 2026
Commercial Production	-	July 2026

<sup>(1)</sup> The Subsidiary has taken on lease the property situated at Survey Number 942 & 943, At Utandi, Limbdi, Dist. Surendranagar from our Promoter, Mrs. Minajbanu Husenali Narsinh.

### Interim Use of Funds

Pending utilization of the Net Proceeds for the Objects of the Offer described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the offer as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

### Monitoring Utilization of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company may appoint [●] as the monitoring agency (**“Monitoring Agency”**) to monitor the utilisation of the Gross Proceeds. Our Company undertakes to place the Gross Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Gross Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds.

The reports of the monitoring agency on the utilization of the Gross Proceeds shall indicate the deployment of the Gross Proceeds under the following heads:

- A. Investment in our Subsidiary for financing the construction of factory building, factory shed and cost of equipment and machinery of the manufacturing unit of MAH Textiles LLP\* located at Limbdi, Surendranagar, Gujarat (“Proposed Project”)**
- B. Funding incremental working capital requirements**
- C. General Corporate Purposes**
- D. Offer Related Expenses**

*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a half-yearly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statutory auditor of our Company will also provide report/ certificate on the utilization of the Gross Proceeds to the monitoring agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half-yearly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Offer from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Offer from the objects of the Fresh Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors’ report, after placing the same before the Audit Committee.

### **Variation in Objects of the Offer**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the offer without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to 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.

## BASIS FOR OFFER PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to the chapters titled “Business Overview”, “Risk Factors”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 174, 28, 241 and 243, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- ✓ Strategic location of our business, Gujarat being one of the largest cotton-producing regions in India.
- ✓ Optimising energy consumption through installation of windmill.
- ✓ High quality standards of manufactured products.
- ✓ Extensive export network.
- ✓ Strong, experienced and dedicated senior management team and qualified workforce.

For more details on qualitative factors, refer to chapter titled “Business Overview” beginning on page 174.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For more details on financial information; investors please refer the chapter titled “Financial Information” beginning on page 241.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### A. Basic and Diluted Earnings per share for continuing operations (“EPS”) (face value of each Equity Share is ₹10):

Fiscal / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	6.97	6.97	3
March 31, 2023	4.22	4.22	2
March 31, 2022	2.06	2.06	1
<b>Weighted Average for the above three Fiscals</b>	<b>5.24</b>	<b>5.24</b>	
December 31, 2024*	4.79	4.79	

\* Not annualized.

#### Notes:

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

**B. 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)
Basic EPS of ₹ 6.97 as per the Restated Financial Information for the year ended March 31, 2024	[●]	[●]
Diluted EPS of ₹ 6.97 as per the Restated Financial Information for the year ended March 31, 2024	[●]	[●]

**C. Industry P/E ratio\***

Based on the peer group information (excluding the Company) given below in this section, the highest P/E ratio is 121.59, the lowest P/E ratio is 11.54 and the average P/E ratio is 66.57.

Particulars	Industry Peer P/E	Name of the company	Face value of the equity shares (₹)
Highest	121.59	Pashupati Cotspin Limited	10
Lowest	11.54	Axita Cotton Limited	1
<b>Average</b>	<b>66.57</b>		

\*Notes:

1. The industry high and low has been considered from the industry peer set provided later in this Chapter.
2. Pashupati Cotspin Limited and Axita Cotton Limited P/E Ratio has been computed based on the closing market price of equity shares on June 23, 2025, on [www.nseindia.com](http://www.nseindia.com), divided by the Diluted EPS as on March 31, 2024 as disclosed in audited consolidated/standalone financials submitted by the respective entity with the stock exchange for the financial year ended March 31, 2024.

**D. Return on Net Worth (“RoNW”)**

Fiscal / Period ended	RoNW (%)	Weight
March 31, 2024	34.15%	3
March 31, 2023	29.22%	2
March 31, 2022	13.98%	1
<b>Weighted Average for the above three Fiscals</b>	<b>29.15%</b>	-
December 31, 2024*	17.81%	-

\*Not annualized.

Notes:

1. Return on Net Worth (%) = Restated Profit after tax/ Restated Average Net worth at the end of the year/period;
2. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, and write-back of depreciation.
3. The weighted average return on Net Worth is a product of return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.



### E. Net Asset Value (“NAV”) per Equity Share

Net Asset Value per Equity Share	₹
As at December 31, 2024	29.30
As at March 31, 2024	24.53
After the Offer*	
- At Floor Price	[●]
- At Cap Price	[●]
At Offer Price	[●]

\*Offer Price per Equity Share will be determined on conclusion of the Book Building Process

Notes:

1. NAV is calculated closing net worth divided by total number of equity shares at the end of the year/period;
2. For the purposes of the above, “Net Worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets. and write-back of depreciation.

For further details, see “Other Financial Information” on page 242.

### Comparison with Listed Industry Peers

Following is the comparison with the peer group companies listed in India and in the same line of business as the Company

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)	Basic EPS (₹)	Diluted EPS (₹)	P/E Ratio (₹)	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Milan Ginning Pressing Limited	Consolidated	10	[●]	6.97	6.97	[●]	34.15	24.53	90,188.41
<b>Peer-Group</b>									
Pashupati Cotspin Limited	Consolidated	10	660.25	5.43	5.43	121.59	7.22	77.56	66,067.98
Axita Cotton Limited	Standalone	1	9.00	0.78	0.78	11.54	34.78	2.48	1,10,201.42

Notes:

1. All the financial information for the Company mentioned above is based on the Restated Financial information, for the financial year ended March 31, 2024.
2. Pashupati Cotspin Limited and Axita Cotton Limited P/E Ratio has been computed based on the closing market price of equity shares on June 23, 2025 on [www.nseindia.com](http://www.nseindia.com).

3. All the financial information for listed industry peer mentioned above is sourced from the audited standalone/consolidated financial statements of the relevant company for the year ended March 31, 2024 as available on the websites of the Stock Exchanges.
4. For listed peer, Net Asset Value (NAV) is computed as closing net worth (sum of equity share capital, other equity and non-controlling interest) divided by total number of equity shares as on 31<sup>st</sup> March 2024 plus bonus shares.
5. For listed peer, return on Net Worth for equity shareholders (%) (RONW) = Profit after tax/ Restated Average Net worth at the end of the year

### Key Performance Indicators

The table below sets forth the details of KPIs of the Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of the Audit Committee of the Company dated June 25, 2025 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to the Company.

Further, the KPIs herein have been certified by G M C A & Co, Chartered Accountants pursuant to certificate dated June 25, 2025.

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 in comparison to its peers.

Particulars	Unit	For the Financial Year ended/ Period on			
		Consolidated		Standalone	
		December 31, 2024*	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	Rs Lakhs	66,468.52	90,188.41	68,275.02	73,492.44
EBITDA	Rs Lakhs	1,655.22	2,140.20	1,434.98	527.81
EBITDA Margin %	%	2.49%	2.37%	2.10%	0.72%
PAT	Rs Lakhs	792.08	1151.11	641.44	216.09
PAT Margin %	%	1.19%	1.28%	0.94%	0.29%
Return on Equity (%)	%	17.81%	34.15%	29.22%	13.98%
Return on Capital Employed (%)	%	13.64%	23.09%	24.47%	11.28%
Debt – Equity Ratio (Times)	Times	1.13	1.51	1.21	1.50
Current Ratio (Times)	Times	1.11	1.13	1.05	1.01

\*Not Annualised

Notes:

- (1) Revenue from Operations is defined as sales;
- (2) EBITDA is defined as sum of Profit before Tax, Interest expenses, Depreciation and Amortization and deducting Interest Income;
- (3) EBITDA Margin is calculated as EBITDA/revenue from operation;
- (4) PAT for the period/year is defined as profit for the year/period;
- (5) PAT margin is calculated as "PAT"/revenue from operation;
- (6) Debt-Equity ratio is calculated as Total debt /total equity;
- (7) Total Equity is defined as sum of equity share capital and Reserves and Surplus;
- (8) Total Debt is defined as sum of Long & Short-Term Borrowings;
- (9) ROE is calculated as Profit after tax for the year/period divided by Restated Average Net worth at the end of the year/period;

(10) ROCE is calculated as profit before tax plus interest expenses divided by Average (Total equity+ Minority interest + Total Borrowings + Lease Liability + Deferred Tax Liabilities – Intangible Assets) for the year/period;

(11) Current ratio calculated as current assets divided by current liabilities.

#### OPERATIONAL KPIs OF THE COMPANY:

Particulars	Units	For the Financial Year ended/ Period on			
		Consolidated		Standalone	
		December 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
<b><u>Customers (% Contribution to Sales)</u></b>					
Customer Concentration Top 1	%	3.57%	12.29%	25.39%	31.35%
Customers Concentration Top 3	%	9.75%	18.86%	37.73%	38.71%
Customers Concentration Top 5	%	15.00%	24.16%	47.53%	44.18%
Customers Concentration Top 10	%	25.68%	34.09%	62.07%	54.83%
<b><u>Suppliers (% Contribution to Purchases)</u></b>					
Suppliers Concentration Top 1	%	23.56%	20.75%	28.97%	27.27%
Suppliers Concentration Top 3	%	30.80%	31.43%	41.52%	34.07%
Suppliers Concentration Top 5	%	36.22%	35.99%	46.95%	38.40%
Suppliers Concentration Top 10	%	43.42%	43.81%	53.92%	44.56%

**\*Not Annualised**

#### Note:

Other than the above disclosed KPIs the company has no other Operational KPIs. Additionally, the data regarding the operational KPIs of the peers are not publicly available

Description on the historic use of the KPIs by the Company to analyze, track or monitor the operational and/or financial performance of the Company is below:

KPI	Explanation
Revenue from Operations	Revenue from Operations is used by management to track the revenue profile of the business and in turn helps assess the overall financial performance of Company and size of business.
PAT for the year/period	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of business.
EBITDA	EBITDA provides a clearer view of a company's operating profitability by excluding non-operating expenses like depreciation and amortization. It helps assess a company's ability to generate cash from its core operations.
EBITDA Margin (%)	This metric is the percentage of EBITDA in relation to the total revenue from operations. It indicates the portion of revenue that translates into EBITDA and is a measure of operating efficiency.
Total Equity	Where total shareholders' equity + other equity (including security premium and surplus/(deficit) and other compressive income.

Total Debt	Sum of Long & Short-Term Borrowings
Total Debt / Equity	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
ROE	RoE provides how efficiently Company generates profits from shareholders' funds.
ROCE	ROCE provides how efficiently Company generates earnings from the capital employed in the business.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

#### Comparison of its KPIs with Listed Industry

**Peers Comparison of Financial Parameter of nine-months/Six-months period ended December 31, 2024/September 2024 (As Applicable) and Year Ended March 31, 2024, 2023 and 2022, with Industry Peers**

Particulars	Units	Milan Ginning Pressing Limited				Axita Cotton Limited			
		For the Financial Year ended/ Period on				For the Financial Year ended/ Period on			
		Consolidated		Standalone		Standalone			
		Dec-24*	2024	2023	2022	Sept-24*	2024	2023	2022
Revenue from Operations	Rs Lakhs	66,468.52	90,188.41	68,275.02	73,492.44	28,481.80	1,10,201.42	54,805.69	81,767.49
EBITDA	Rs Lakhs	1,655.22	2,140.20	1,434.98	527.81	680.67	2769.30	2395.74	2046.07
EBITDA Margin %	%	2.49%	2.37%	2.10%	0.72%	2.39%	2.51%	4.37%	2.50%
PAT	Rs Lakhs	792.08	1151.11	641.44	216.09	417.08	2033.56	1708.74	1541.21
PAT Margin %	%	1.19%	1.28%	0.94%	0.29%	1.46%	1.85%	3.12%	1.88%
Return on Equity/Net Worth (%)	%	17.81%	34.15%	29.22%	13.98%	6.26%	34.78%	38.56%	53.07%
Return on Capital Employed (%)	%	13.64%	23.09%	24.47%	11.28%	7.77%	35.65%	48.39%	55.26%
Debt – Equity Ratio (Times)	Times	1.13	1.51	1.21	1.50	0.00	0.31	0.00	0.00
Current Ratio (Times)	Times	1.11	1.13	1.05	1.01	2.27	3.10	3.13	1.45

\*Not Annualised

Particulars	Units	Milan Ginning Pressing Limited				Pashupati Cotspin Limited			
		For the Financial Year ended/ Period on				For the Financial Year ended/ Period on			
		Consolidated		Standalone		Consolidated			Standalone
		Dec-24*	2024	2023	2022	Sept-24*	2024	2023	2022

Revenue from Operations	Rs Lakhs	66,468.52	90,188.41	68,275.02	73,492.44	34,468.88	66,067.98	44,282.74	66,138.19
EBITDA	Rs Lakhs	1,655.22	2,140.20	1,434.98	527.81	1882.72	3354.69	2011.69	3924.32
EBITDA Margin %	%	2.49%	2.37%	2.10%	0.72%	5.46%	5.08%	4.54%	5.93%
PAT	Rs Lakhs	792.08	1151.11	641.44	216.09	532.09	830.39	387.86	1112.55
PAT Margin %	%	1.19%	1.28%	0.94%	0.29%	1.54%	1.26%	0.88%	1.68%
Return on Equity/Net worth (%)	%	17.81%	34.15%	29.22%	13.98%	4.39%	7.22%	3.53%	10.75%
Return on Capital Employed (%)	%	13.64%	23.09%	24.47%	11.28%	5.34%	7.62%	3.73%	9.43%
Debt – Equity Ratio (Times)	Times	1.13	1.51	1.21	1.50	0.94	1.27	1.56	1.64
Current Ratio (Times)	Times	1.11	1.13	1.05	1.01	1.17	1.22	1.14	1.94

\*Not Annualised

#For the calculation of EBITDA, EBIT and ROCE the finance cost is entirely considered as interest expenses and interest income is assumed to be NIL due to non-availability of data for the six-month period ended September 30,2024.

**Notes:**

- (1) Revenue from Operations is defined as sales;
- (2) EBITDA is defined as sum of Profit before Tax, Interest expenses, Depreciation and Amortization and deducting Interest Income;
- (3) EBITDA Margin is calculated as EBITDA/revenue from operation;
- (4) PAT for the period/year is defined as profit for the year/period;
- (5) PAT margin is calculated as "PAT"/revenue from operation;
- (6) Debt-Equity ratio is calculated as Total debt /total equity;
- (7) Total Equity is defined as sum of equity share capital and Reserves and Surplus;
- (8) Total Debt is defined as sum of Long & Short-Term Borrowings;
- (9) ROE is calculated as Profit after tax for the year/period divided by Restated Average Net worth at the end of the year/period;
- (10) ROCE is calculated as profit before tax plus interest expenses divided by Average (Total equity+ Minority interest + Total Borrowings + Lease Liability + Deferred Tax Liabilities – Intangible Assets) for the year/period;
- (11) Current ratio calculated as current assets divided by current liabilities. .
- (12) All the financial information for the Company mentioned above is based on the Restated Financial information for the relevant period/year.
- (13) All the financial information for listed industry peers mentioned above is on a consolidated/standalone basis and is sourced from the audited/unaudited consolidated/standalone financial results for the respective companies for the relevant period/year available on the website of BSE Limited & NSE Limited.
- (14) Milan Ginning Pressing Limited is engaged in the business of cotton ginning & pressing. The industry in which the Company operates is highly fragmented and largely comprises unlisted players and MSMEs. After reviewing the listed companies in India, only two—Pashupati Cotspin Limited and Axita Cotton Limited—have been identified as suitable peers for comparison, based on similarity in business activities, product profile, and operational scale. Accordingly, these two companies have been considered as listed

peers for the purpose of valuation benchmarking and peer comparison in the Draft Red Herring Prospectus.

### Comparison of KPIs over time based on additions or dispositions to the business

The impact of all material acquisitions or dispositions of assets or businesses undertaken by the Company during the periods covered by the KPIs—i.e., the period ended December 31, 2024, and the years ended March 31, 2024, 2023, and 2022—has been reflected in the KPIs disclosed above.

### Disclosures in relation to valuation of the Company

#### A. The price per share of the Company based on the primary / new issue of shares (equity / convertible securities)

The Company has not issued any Equity Shares or convertible securities or employee stock options during the 18 months preceding the date of the 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.

#### B. The price per share of the Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter or members of the Promoter Group, during the 18 months preceding the date of the 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)), in a single transaction or multiple transactions combined together over a span of rolling 30 days

#### C. Price per share based on last five primary or secondary transactions

Since there are no such transactions to report to under (a) and (b), the following are the details based on the last 5 primary or secondary transactions (secondary transactions where Promoter or members of the Promoter Group 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:

*Last 5 Primary issuances / secondary transactions:*

Date of Transaction	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of transaction	Nature of consideration	Total consideration (₹)
04.04.2023	1	10	10	Transfer	Cash	10
04.04.2023	1	10	10	Transfer	Cash	10
04.04.2023	1	10	10	Transfer	Cash	10
04.04.2023	250	10	10	Transfer	Cash	2,500
04.04.2023	250	10	10	Transfer	Cash	2,500
<b>Total</b>						<b>5,030</b>

Weighted average cost of acquisition, floor price and cap price Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e., ₹ [•])	Cap price (i.e., ₹ [•])
WACA of Primary Transactions	NA	NA	NA
WACA of Secondary Transactions	NA	NA	NA

Since there were no Primary Transactions or Secondary Transactions during the 18 months preceding the date of filing of the Draft Red Herring Prospectus, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions (where promoters/promoter group entities or the Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) on the Board), are a party to the transaction, not older than three years prior to the date of the Draft Red Herring Prospectus irrespective of the size of the transaction

Based on primary transactions	NA	NA	NA
Based on secondary transactions	10.00	[•] times	[•] times

**The Offer price is [•] times of the face value of the Equity Shares**

The Offer Price of ₹ [•] has been determined by our Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company, in consultation with the BRLMs are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Business Overview*”, *Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 28, 174, 243 and 241 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” on page 28 and you may lose all or part of your investments

## STATEMENT OF SPECIAL TAX BENEFITS

**Statement of special tax benefits (under direct and indirect tax laws) together with the report available to the Company, its shareholders and its material Subsidiaries (if applicable)**

To,

**The Board of Directors**

**Milan Ginning Pressing Limited**

Survey No. 555/P Nr. Chorania 440

KV Watt Sub Station, National Highway 8,

Utadi, Limbdi, Surendranagar – 363421, Gujarat

And

**PNB Investment Services Limited**

PNB Pragati Towers, 2nd Floor,

C-9, G-Block, Bandra Kurla Complex,

Bandra (East), Mumbai-400051, India

*(PNB Investment Services Limited is hereinafter referred to as the “Book Running Lead Manager” or the “BRLM”)*

**Sub: Proposed initial public offering of equity shares of face value of ₹ 10 each (Equity Shares) by Milan Ginning Pressing Limited (the “Company”) through a fresh issue of equity shares and an Offer for sale of the equity shares by selling shareholders (the “Offer”).**

Dear Sirs,

We, **G M C A & Co, Chartered Accountants, Statutory Auditor** of the Company, have been informed by the Company that it proposes to make the Offer and in that connection to file a Draft Red Herring Prospectus (“**DRHP**”) , Red Herring Prospectus (“**RHP**”) and a Prospectus (“**Prospectus**”) (DRHP, RHP and Prospectus collectively, the “**Offer Documents**”) as applicable with BSE Limited (“**BSE**”) referred to as the (“**Stock Exchange**”) and with the Registrar of Companies, Ahmedabad, Gujarat (“**RoC**”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”) and the Companies Act, 2013, as amended (the “**Companies Act**”).

We have audited, in accordance with the requirements of the Companies Act, 2013 and the Companies Accounting Standards Rules, 2021 (“**AS**”), Generally Accepted Accounting Principles in India (“**Indian GAAP**), Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, the Standalone Financial Statements of the Company for the nine months period ended December 31, 2024 and for the financial year ended March 31, 2024.

We have audited, in accordance with the requirements of the Companies Act, 2013 and the Companies Accounting Standards Rules, 2021 (“**AS**”), Generally Accepted Accounting Principles in India (“**Indian GAAP**), Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, the financial statements of the Company for the nine months period ended December 31, 2024 and for the financial year ended March 31, 2024 (“**Audited Consolidated Financial Statements**”).

Subsequently, we have restated the Audited Consolidated Financial Statements for the nine months period ended December 31, 2024 and for the year ended March 31, 2024 and the Audited Standalone Financial Statements for the year ended March 31, 2023 and March 31, 2022 in accordance with the Companies Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**SEBI ICDR Regulations**) and the Guidance Note on Reports in Company Prospectuses (Revised 2019) (“**Restated Financial Information**”).

We have received a request from the Company to verify and certify the statement of possible special tax benefits available to the Company, its shareholders and its Material subsidiaries, which are defined under **Annexure A**



We, hereby confirm that the enclosed statement in the **Annexure B** prepared by the Company and initialled by us and the Company for identification purpose (**Statement**) sets out the possible special tax benefits available to the Company, its Shareholders and its Material Subsidiaries under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, as amended by the Finance Act, 2025, read with rules, circular and notification issued thereunder (**IT Act**) i.e., applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (**“GST Act”**) read with Rules, Circulars, and Notifications, Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020 (**“FTP”**) as amended by the Finance Act, 2025, i.e., applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India (collectively the **Taxation Laws**) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the Assessment Year 2026-27 relevant to the Financial Year 2025-26.

Several of these benefits are dependent on the Company, its Shareholders and its Material Subsidiaries as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its Shareholders and its Material Subsidiaries to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and its Shareholders may or may not choose to fulfil.

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, it is assumed that with respect to special tax benefits available to the Company, its Shareholders and its Material Subsidiaries the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its Shareholders and its Material Subsidiaries and do not cover any general tax benefits available to them.

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.

The benefits stated in **Annexure A** of this certificate, for possible special tax benefits available to the Company and its Shareholders and its Material Subsidiaries are not exhaustive and the preparation of the contents stated is the responsibility of the Company. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

We do not express any opinion or provide any assurance as to whether:

- a. The Company, its Shareholders and its Material Subsidiaries, will continue to obtain these benefits in the future;
- b. The conditions prescribed for availing of the benefits have been/would be met with; and
- c. 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 relied upon the information and documents of the Company being true, correct and complete and have not audited

or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

We hereby consent to the extracts of this certificate being used in the DRHP, RHP and the Prospectus to be filed with the Stock Exchange, the RoC and submitted to the Stock Exchange in connection with the Offer, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Offer and for disclosure on the website of the Company in connection with the Offer and/or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable law. We also consent to this certificate to be uploaded on the website, repository and, or, the database of the Stock Exchange.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We hereby confirm that while providing this certificate, we have complied with the Ethics Code, 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, issued by the Institute of Chartered Accountants of India.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents which may be filed by the Company with Stock Exchange, RoC and/or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate, as may be necessary, to RoC, Stock Exchange and/or any other regulatory /statutory authority, and/or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable laws. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authorities or on the request of the Stock Exchange; or (ii) in seeking to establish a defence in connection with, or to avoid any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation related to any matter regarding issuance and listing of the equity shares of the Company; or (iii) for the records to be maintained by the BRLM and in accordance with applicable laws.

We undertake to update you, in writing, of any change in the above-mentioned disclosures which we are aware of until the Equity Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchange. In the absence of any such communication from us, the Company, the BRLM and the Legal Counsels appointed with respect to Offer can assume that there is no change to the the above information forming part of this certificate and accordingly, such information should be considered to be true and correct until the Equity Shares commence trading on the Stock Exchange.

This certificate may be relied on by the BRLM, its affiliates and the Legal Counsels in relation to the Offer and to assist the BRLM in the context of due diligence procedures that the BRLM has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours sincerely,  
**For, G M C A & CO.**  
**Chartered Accountants**  
**Firm Reg. No. – 109850W**

**CA. Amin G. Shaikh**  
**Partner**  
**Membership No. - 108894**  
**Peer Review Certificate No.: 015381**

**UDIN: 25108894BMKOQW9413**

**Date: June 25, 2025**  
**Place: Ahmedabad**

**Cc:**  
**Legal Counsel to the Company**

**Desai and Diwanji**  
16th Floor, Tower C,  
DLF Epitome, Building No. 5,  
DLF Phase 3, Gurugram – 122 002

## **ANNEXURE A**

### **(LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT)**

1. MAH Textiles LLP\*
2. KR Solvent LLP

*\*(MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon*

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (March 31, 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.

## **ANNEXURE B**

### **STATEMENT OF TAX BENEFITS**

#### **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, THE SHAREHOLDERS AND MATERIAL SUBSIDIARIES OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA**

The information provided below sets out the possible special tax benefits available to the Company the Shareholders and the Material Subsidiaries of the Company under the Taxation Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

#### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

##### **Direct Tax Laws**

##### **Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (the "Amendment Act, 2019") w.e.f. Financial Year ('FY') 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives.

The option under Section 115BAA of the Act once exercised cannot be subsequently withdrawn for the same or any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB of the Act.

The provisions do not specify any limitation/ conditions on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

In case the Company opts for concessional tax rate under Section 115BAA of the Act, it shall not be eligible to claim and carry forward the MAT credit available and it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to pay concessional tax rate under Section 115BAA of the Act for Assessment Year ('AY') 2024-25 onwards.

##### **Exemption on income from share of profit from partnership firm of Limited Liability Partnership ("LLP")**

Section 10(2A) of the Income Tax Act, 1961 the share of profit received by a partner from a partnership firm or LLP is exempt from tax in the hands of the partner.

The company is partner in MAH Textiles LLP & KR Solvent LLP accordingly company will get the exemptions on the share of profit distributed by such LLPs.

Except the above, there are no other possible special tax benefits available to the Shareholders of the Company for investing in the shares of the Company

##### **Indirect Tax Laws**

There are no special tax benefits available to the Company under Goods and Services Tax law, State Value Added Tax/ Central Sales Tax law.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Direct and Indirect Tax Laws.

**C. SPECIAL TAX BENEFITS TO THE MATERIAL SUBSIDIARIES OF THE COMPANY**

The Material Subsidiaries of the Company are not entitled to any special tax benefits under the Direct and Indirect Tax Laws.

**Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

## SECTION VIII – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

This report is prepared by Infomerics Analytics & Research Private Limited. Infomerics Analytics & Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in Infomerics Analytics & Research's proprietary database, and other sources considered by Infomerics Analytics & Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of Infomerics Analytics & Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

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#### 1. Global Macroeconomic Scenario

The global economy is projected to experience a deceleration in growth, with global GDP expanding by 2.8% in CY 2025, down from 3.3% in CY 2024. This slowdown is attributed to escalating trade tensions, particularly due to new U.S. tariffs, and heightened policy uncertainties. Global headline inflation is expected to decline to 4.3% in CY 2025 and further to 3.6% in CY 2026, as inflationary pressures ease across advanced economies, aided by tighter monetary policy, improved labour market conditions, and the resolution of supply disruptions. However, global trade growth is forecasted to slow significantly to 1.7% in CY 2025, reflecting the effects of escalating trade barriers and geopolitical instability. **Source - Source – IMF World Economic Outlook April 2025**

In China, economic prospects remain constrained as the IMF downgraded its CY 2025 GDP growth forecast to 4.0%, due to persistent challenges in the real estate sector, weak consumer demand, and trade-related pressures. In Europe, growth is expected to stagnate, with Germany's GDP forecast at 0.0% in CY 2025, amidst trade disruptions and domestic weaknesses. The EU is actively seeking to address these challenges through renewed trade dialogue with the U.S.

Meanwhile, India continues to show resilience, with the IMF projecting stable real GDP growth of 6.2% in CY 2025, followed by a slight uptick to 6.3% in CY 2026. This is supported by robust rural consumption and sustained infrastructure investment. The IMF notes that India remains one of the fastest-growing major economies, driven by favourable demographics, expanding digital infrastructure, and rising investment activity. Consumer price inflation in India is projected to moderate to 4.2% in CY 2025, staying within the Reserve Bank of India's (RBI) target range of 2–6%, which helps maintain purchasing power and economic stability. The IMF also highlights the importance of continued structural reforms in India, particularly in labour markets, logistics, and capital formation, to sustain medium-term growth momentum.

#### Source – IMF World Economic Outlook April 2025

Overall, while inflation is declining globally, the economic outlook remains clouded by geopolitical uncertainty, trade fragmentation, and region-specific structural challenges. However, India's relative macroeconomic stability, demographic advantage, and ongoing investment cycle place it in a strong position amid global headwinds.

#### 1.1 Global GDP Growth Scenario

The global economy began to recover from its lowest levels following the lifting of lockdowns in 2020 and 2021. The pandemic-induced lockdown was a key factor that severely disrupted economic activities, leading to a recession in CY 2020, where global GDP contracted by -2.7%.

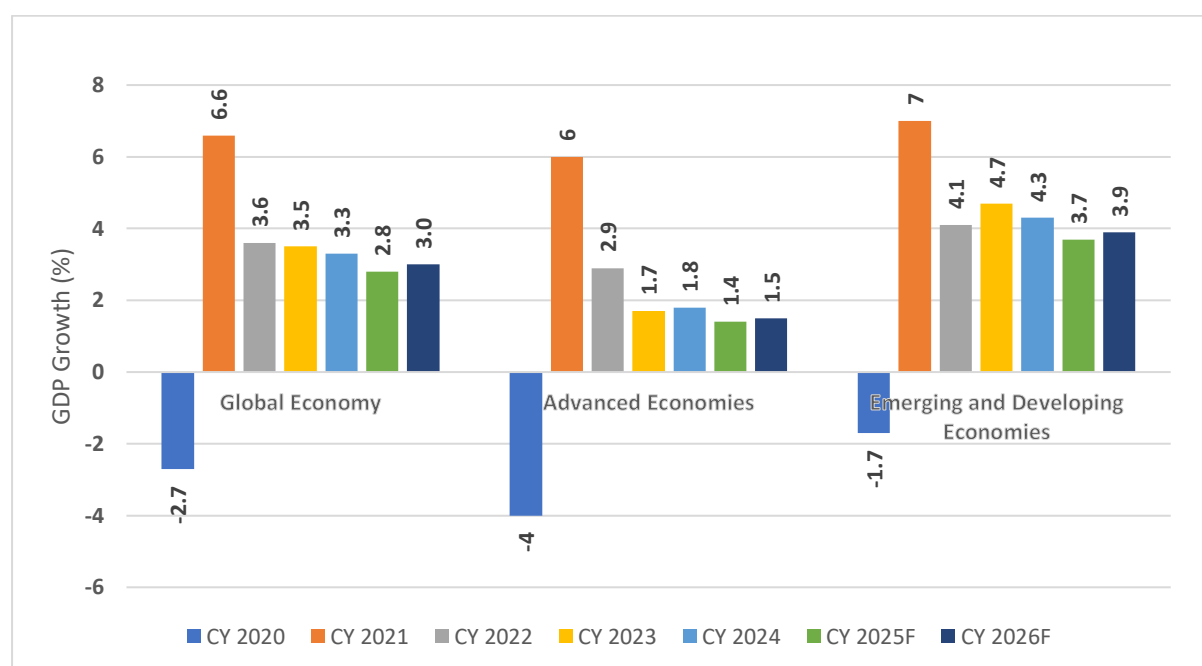
In CY 2021, supply chain disruptions significantly impacted both advanced economies and low-income developing economies. The rapid spread of the Delta variant and the threat of new variants in mid-2021 further heightened uncertainty in the global economic environment.

Global economic activity saw a sharper-than-expected slowdown in CY 2022. The highest inflation in decades, observed in 2022, forced most central banks to tighten their monetary & fiscal policies. Russia's invasion of Ukraine exacerbated global food supply issues, further increasing the cost of living.

Despite initial resilience in early CY 2023, marked by a rebound from the pandemic and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity continued to lag its pre-pandemic trajectory, especially in emerging markets and developing economies, leading to widening regional disparities. Several factors impeded recovery, including the lasting impacts of the pandemic, geopolitical tensions, tightening monetary policies to combat inflation, reductions in fiscal support amid high debt levels, and extreme weather conditions. As a result, global growth slowed from 3.6% in CY 2022 to 3.5% in CY 2023.

The global economy maintained moderate momentum in CY 2024, with real GDP growth estimated at 3.3%, supported by easing inflationary pressures, recovering supply chains, and resilient consumer demand in some major economies. Advanced economies, particularly the U.S., benefitted from strong labour markets and improved private consumption. However, growth remained uneven across regions, with emerging markets facing tighter financial conditions and subdued export demand. Inflation declined faster than anticipated in many regions, enabling some central banks to consider gradual monetary easing by the end of the year.

## 1.2 Historical GDP Growth Trends



### F – Forecast, Source – IMF World Economic Outlook April 2025

*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)*

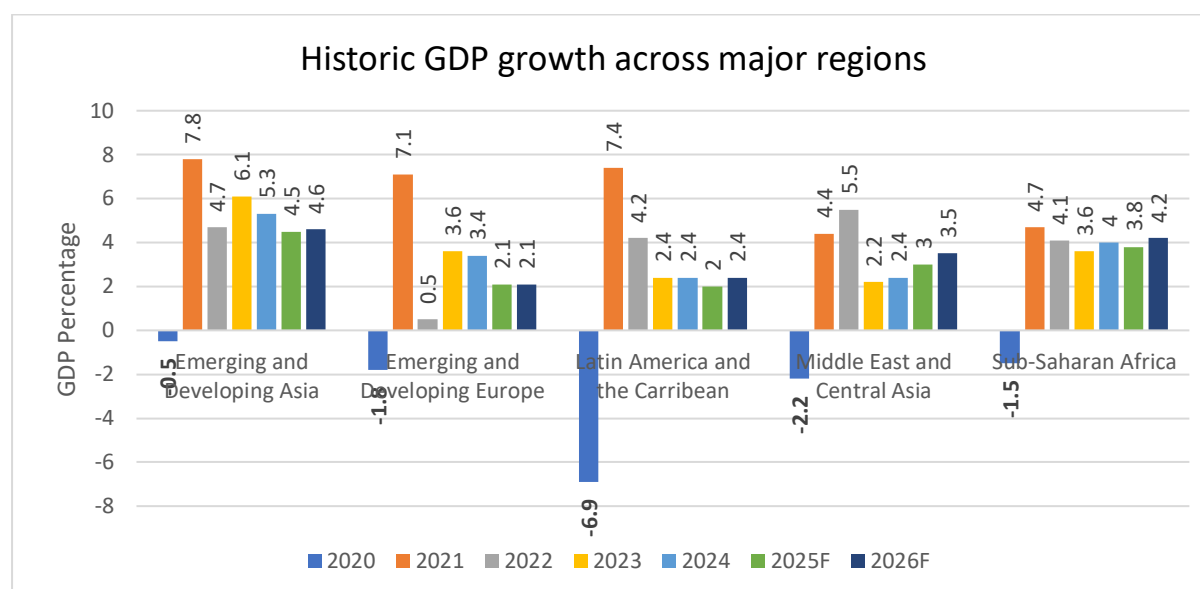
In the current scenario, global GDP growth is projected to decelerate to 2.8% in CY 2025, reflecting mounting economic pressures across both advanced and emerging markets. This marks a significant slowdown driven by intensifying trade fragmentation, the impact of new U.S. tariffs, and elevated geopolitical tensions. Structural weaknesses such as the ongoing real estate crisis in China, stagnant growth in the Eurozone, and tight financial conditions in major economies are expected to weigh heavily on global output. Additionally, stress in housing and banking sectors, coupled with subdued industrial activity, is contributing to a muted growth outlook. On the inflation front, the IMF projects global headline inflation to decline to 4.3% in CY 2025, continuing a disinflationary trend as energy prices stabilize and supply-side disruptions ease. The softening of labour markets—



reflected in lower job vacancy rates and modest increases in unemployment—is also expected to help reduce core inflation. This provides room for some central banks to initiate cautious interest rate cuts, although the broader economic outlook remains uncertain due to persistent global risks.

### **1.3 GDP Growth Across Major Regions**

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



**Note: Forecast, Source-IMF World Economic Outlook April 2025 update.**

In Emerging and Developing Asia, growth is projected to moderate from 5.3% in CY 2024 to 4.5% in CY 2025, before recovering slightly to 4.6% in CY 2026. India is expected to grow at 6.2% in CY 2025, supported by resilient rural consumption and sustained infrastructure investments, though lower than 6.5% growth recorded in CY 2024. In contrast, China's growth is likely to decelerate to 4.0% in CY 2025, amid persistent real estate concerns and weak domestic demand.

Sub-Saharan Africa is projected to grow at 3.8% in CY 2025, slightly below the 4.0% growth in CY 2024, with a further improvement to 4.2% in CY 2026. The recovery is being aided by improved weather conditions and better functioning supply chains.

In the Middle East and Central Asia, the economy is forecasted to expand at 3.0% in CY 2025, up from 2.4% in CY 2024, and further strengthen to 3.5% in CY 2026, driven by stabilization in oil production and ongoing economic reforms.

For Latin America and the Caribbean, modest growth of 2.0% is forecast for CY 2025, holding steady from CY 2024, with expectations of a rebound to 2.4% in CY 2026, helped by stronger macroeconomic management across key economies.

Emerging and Developing Europe remains subdued, with growth estimated at 2.1% in CY 2025, down from 3.4% in CY 2024, expected to be stable at 2.1% by CY 2026. The region continues to face structural manufacturing challenges, particularly in major economies like Germany.

Overall, while global growth is expected to remain steady, regional disparities persist, influenced by a combination of domestic challenges, external geopolitical tensions, and fluctuating commodity prices.

### **1.4 Global Economic Outlook**

At the midpoint of the year, so far in 2025 the global economy continues to exhibit mixed performance, with divergence in outcomes across regions due to differences in economic growth, inflation dynamics, and policy responses. The global GDP growth is projected at 2.8% in CY 2025, down from an estimated 3.3% in CY 2024. While short-term prospects have improved since early 2024 due to easing inflation and gradual loosening of monetary policy in several regions, the broader environment remains challenging. Structural headwinds, such as

tighter credit conditions, supply-side bottlenecks, and lingering geopolitical risks, are keeping global growth below historical averages.

The United States has continued to outperform other advanced economies, with growth projected at 1.8% in 2025, though slightly down from 2.8% in 2024, as the economy absorbs the lagged effects of previous monetary tightening and persistent inflation. In contrast, the Euro Area remains subdued, with GDP growth expected to 0.8% in 2025, supported by the European Central Bank’s first-interest rate cuts since 2019 (implemented in June 2024) and stronger domestic demand. However, countries like Germany, France, and Italy continue to struggle due to weak manufacturing performance, whereas Greece and Spain have benefited from robust tourism activity.

In China, growth has held up at a projected 4.0% for CY 2025, supported by targeted stimulus and a gradual recovery in the real estate sector. Growth in the rest of Asia is also benefiting from a revival in global trade and domestic demand. India remains one of the strongest performers globally, with GDP growth forecasted at 6.2% in 2025, supported by robust consumption, capital investment, and favourable demographics.

In Latin America and the Caribbean, growth is more uneven. Larger economies like Brazil and Mexico are seeing moderate expansions, but the overall regional outlook is weaker, with GDP growth forecast at 2.0% in 2025, due to external headwinds, commodity price volatility, and political uncertainty. Meanwhile, Sub-Saharan Africa’s growth is expected to slow slightly to 3.8%, as global financial conditions tighten, and oil-exporting nations face declining revenues. The Middle East and North Africa (MENA) region is also seeing tempered prospects, with growth revised down to 2.6%, influenced by lower oil prices and ongoing geopolitical pressures.

Globally, industrial production has remained sluggish through the first half of 2025, constrained by high interest rates, trade fragmentation, and lingering supply chain disruptions. However, a mild recovery is anticipated in the second half of the year as global trade stabilizes and domestic demand for goods strengthens. Central banks in several advanced economies—including the Eurozone, Switzerland, Sweden, and Canada—have begun cutting rates to support demand, though inflation trends remain uneven. Disinflation has progressed slower than expected, particularly in services and wage-heavy sectors, making monetary easing cautious and data-dependent.

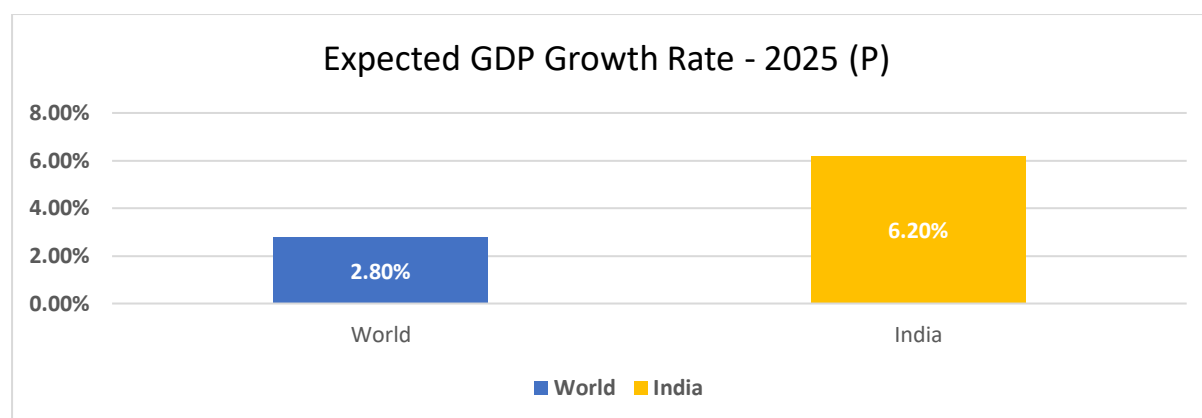
Overall, the global economy appears to be stabilizing, but growth in CY 2025 remains below historical averages. Advanced economies continue to grow modestly under the weight of tight policies and weak external demand, while emerging markets, particularly in Asia, show stronger but slowing momentum. The outlook for the remainder of 2025 depends significantly on geopolitical developments, the trajectory of inflation, and the pace of monetary easing.

## 2. India’s Macroeconomics Scenario

### 2.1 Gross Domestic Product (GDP)

#### *India Expected to Grow at Twice the Pace of Global Economic Growth*

The global economy continues to face persistent challenges, including the lingering effects of the COVID-19 pandemic, heightened geopolitical tensions, and climate-related disruptions that have affected energy and food supply chains. Global real GDP growth is projected at 2.8% in 2025, indicating a moderation in global momentum. In contrast, India’s real GDP is projected to grow at 6.2% in 2025, continuing its trend of significantly outpacing global averages and reaffirming its position as the fastest-growing major economy. This implies that India is expected to grow at more than twice the pace of global GDP, supported by strong domestic demand, structural reforms, and increased infrastructure investment. India’s resilience among the G20 economies further strengthens its role as a key driver of global economic growth in the coming years.



**Notes: P-Projection; Source: IMF – World Economic Outlook, April 2025**

## Global and India Growth Outlook Projections (Real GDP growth)

### India's Economic Growth Momentum Remains Strong, Poised to Surpass USD 4 Trillion by 2025

In FY 2024-25, India was the fifth-largest economy globally, with an estimated real Gross Domestic Product (GDP) at constant prices of INR 184.88 lakh crore, against the Provisional Estimate of GDP for the year 2023-24 of INR 173.82 lakh crore registering a GDP growth rate of 6.4% as compared to 8.2% in FY 2023-24. Since FY 2005, India's GDP growth has consistently outpaced global economic growth, often growing at nearly twice the global average, and this trend is expected to continue over the medium term.

According to IMF, India's GDP is projected to cross USD 4 trillion in CY 2025 and is on track to become the fourth-largest economy by CY 2025 surpassing Japan.

**Source: MOSPI, first advance estimates of GDP 2024-25 released on January 7<sup>th</sup>, 2025**

### GDP Growth Rate Projections for India

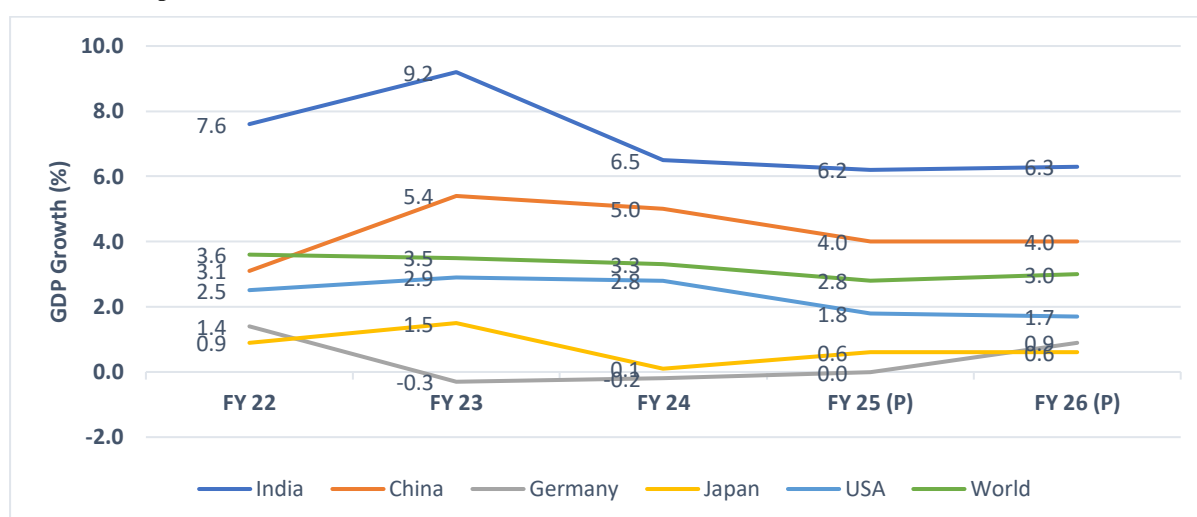
GDP growth projections by Government of India and other agencies are summarised below:

	Estimated GDP Growth Rate		
	FY 25E	FY 26E	FY 27E
Ministry of Finance, GOI	6.4%	6.3%-6.8%	N.A.
IMF*	6.2%	6.3%	N.A.
RBI#	6.6%	6.5%	N.A.
National Statistical Office (NSO)@	6.4%	N.A.	N.A.
PHDCCI@	6.5%	6.7%	6.7%
S&P Global@	6.8%	6.5%	6.8%
Morgan Stanley@	6.3%	6.5%	6.5%
Asian Development Bank#	6.5%	6.7%	N.A.
Moody's Agency	6.1%	N.A.	N.A.
Fitch Ratings@	6.3%	6.5%	6.3%

**Source: World Economic Outlook Update April 2025**

@ Data is updated as of 28th March 2025, #updated as of 10th April 2025

### India and Top 5 Global Economies GDP Growth Forecast



**Note: P = Projections, Source: IMF World Economic Outlook April 2025 update.**

In September 2024, India achieved a significant milestone by overtaking Japan to become the third most powerful nation in the Asia-Pacific region, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.7-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.

## **2.2 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**

- India's economy demonstrated robust growth across various sectors. The gap between GDP and GVA growth turned positive. The positive gap between GDP and GVA growth indicates robust tax collections contributing to GDP growth.
- India's sector-wise economic performance in FY 2024–25 reveals a shift in momentum across its primary, secondary, and tertiary sectors, with notable differences compared to the previous fiscal year.
- The Primary Sector—comprising agriculture, livestock, forestry, fishing, and mining & quarrying—registered a growth of 3.6% in FY25, showing a notable improvement from the 2.1% growth in FY24. This uptick can be attributed to stronger performance in agriculture and allied activities, along with moderate gains in mining and quarrying. However, erratic monsoon patterns and rising input costs may have constrained agricultural output during the year.
- In contrast, the Secondary Sector—which includes manufacturing, electricity, gas, water supply & other utilities, and construction—recorded a solid growth of 6.5% in FY25, though lower than the impressive 9.7% growth seen in the previous year. This resilient performance was primarily driven by a notable recovery in manufacturing and robust momentum in infrastructure-related segments like construction and utilities.
- The Tertiary Sector or services sector posted 7.2% growth in FY25, slightly lower than the 7.6% achieved in FY24, yet it remained a major pillar of overall economic growth. Strong performances were observed in trade, hotels, transport, financial services, real estate, and professional services. However, public administration and defence services saw more modest growth, slightly dampening the overall momentum in this segment.
- Overall, growth in India's real Gross Value Added (GVA) in FY25 was primarily driven by the resurgence of the secondary sector and sustained strength in key segments of the services sector, even as the primary sector showed signs of moderation.

### **Sectoral Growth (Y-o-Y % Growth) - at Constant Prices**

*Source: MOSPI, first advance estimates of GDP 2024-25, released on January 7<sup>th</sup>, 2025*

## **2.3 Consumer Price Index (CPI)**

### ***Inflation Stable Inflationary Environment***

Sector-wise growth in GVA at constant (2011-12) prices (in %)	FY 2024	FY 2025
Primary	2.1	3.6
Secondary	9.7	6.5
Tertiary	7.6	7.2

In fiscal year 2025 (FY25), India's General Index inflation, as measured by the Consumer Price Index (CPI), averaged 4.6%, marking the lowest annual inflation rate since 2018–19. This moderation in inflation reflects a significant improvement in the country's price stability post-COVID. In March 2025, CPI Inflation stood at

3.34%, the lowest monthly rate since August 2019, indicating sustained disinflationary momentum in recent months.

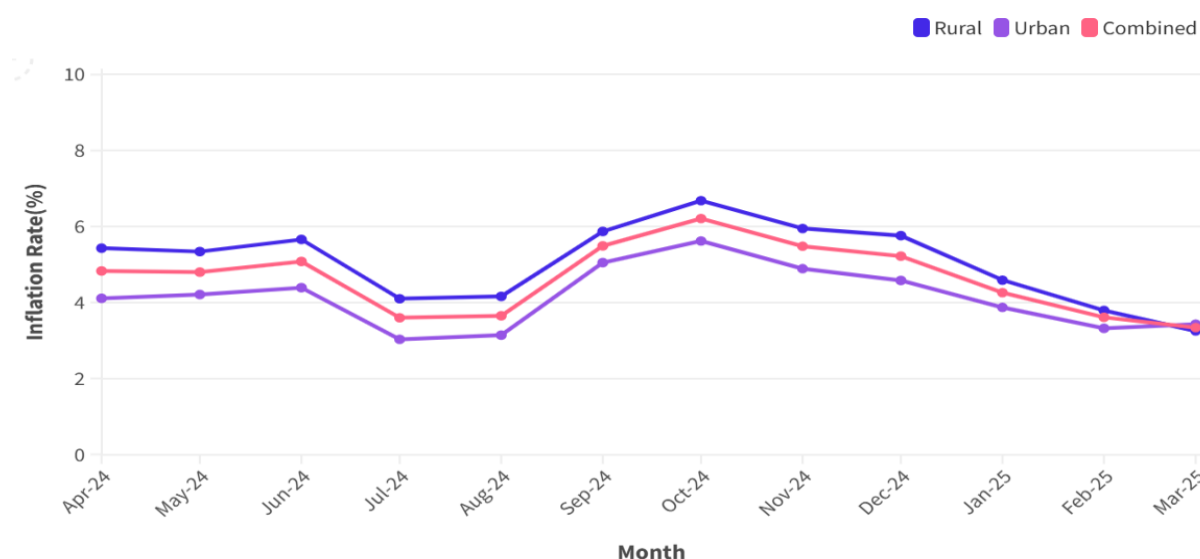
**Source: - RBI, Annual Report-Inflation, Money and Credit Dated May 29<sup>th</sup>, 2025**

Several key factors contributed to this decline in inflation:

The Reserve Bank of India (RBI) pursued a pro-growth monetary policy, aiming to strike a balance between supporting economic recovery and containing inflation. In parallel, the government actively intervened in food markets, particularly by augmenting buffer stocks of essential commodities and releasing them strategically to stabilize prices. These coordinated efforts helped ease supply-side pressures, especially on food inflation.

Looking ahead, projected CPI inflation for FY26 to average around 4%, signalling continued focus on maintaining price stability. In support of this trajectory, the RBI recently announced a cut in the repo rate, which is expected to result in a more accommodative monetary policy stance in the coming months. This environment of low inflation and easing interest rates may provide a favourable backdrop for economic expansion in the near term.

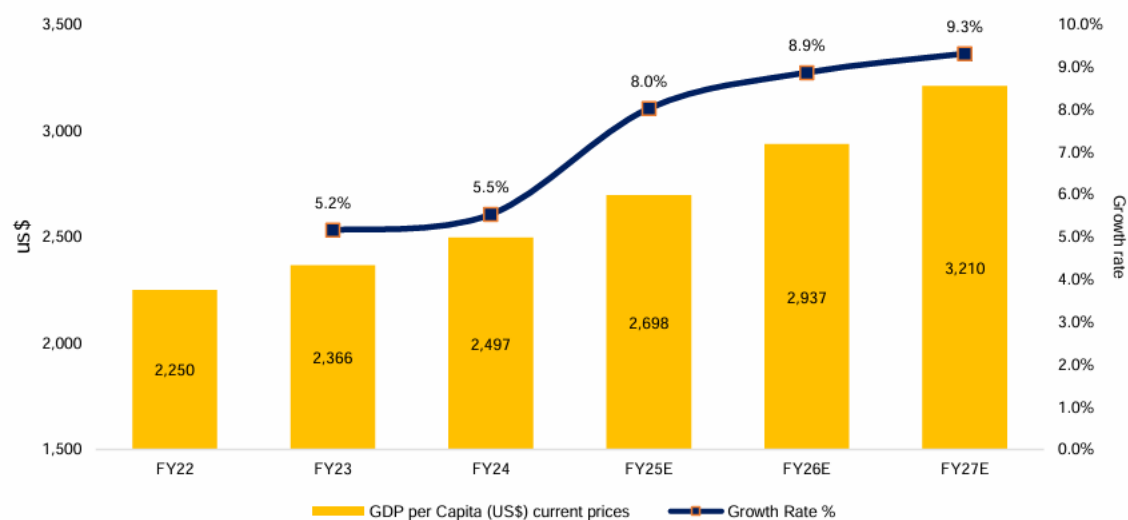
### India's CPI Inflation Monthly



**Source: Ministry of Statistics and Programme Implementation (MOSPI)**

### 2.4 India Per Capita GDP Forecast

Per capita GDP growth at current prices for India is estimated at 8.0% for FY25. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the Cookware Industry.



*Note: E = Estimated*

*Source: IMF World Outlook October 2024 National Statistics Office, Ministry of Statistics & Programme Implementation (MoSPI), Govt of India*

## **2.5 Private Final Consumption Expenditure (PFCE)**

Private Final Consumption Expenditure (PFCE) represents the total spending by resident households on final consumption of goods and services, serving as a key indicator of consumer demand and overall economic well-being. It reflects the extent of household consumption and plays a crucial role in driving GDP growth. In FY2025, PFCE at constant prices rose to 56.7% of GDP, up from 56.1% in FY2024, indicating a gradual improvement in household spending patterns. This increase suggests stronger consumer confidence, supported by factors such as easing inflation, improving income levels, and a favourable consumption environment.

*Source: - MOSPI, Second Advance Estimates of GDP 2024-25 dated February 28,2025*

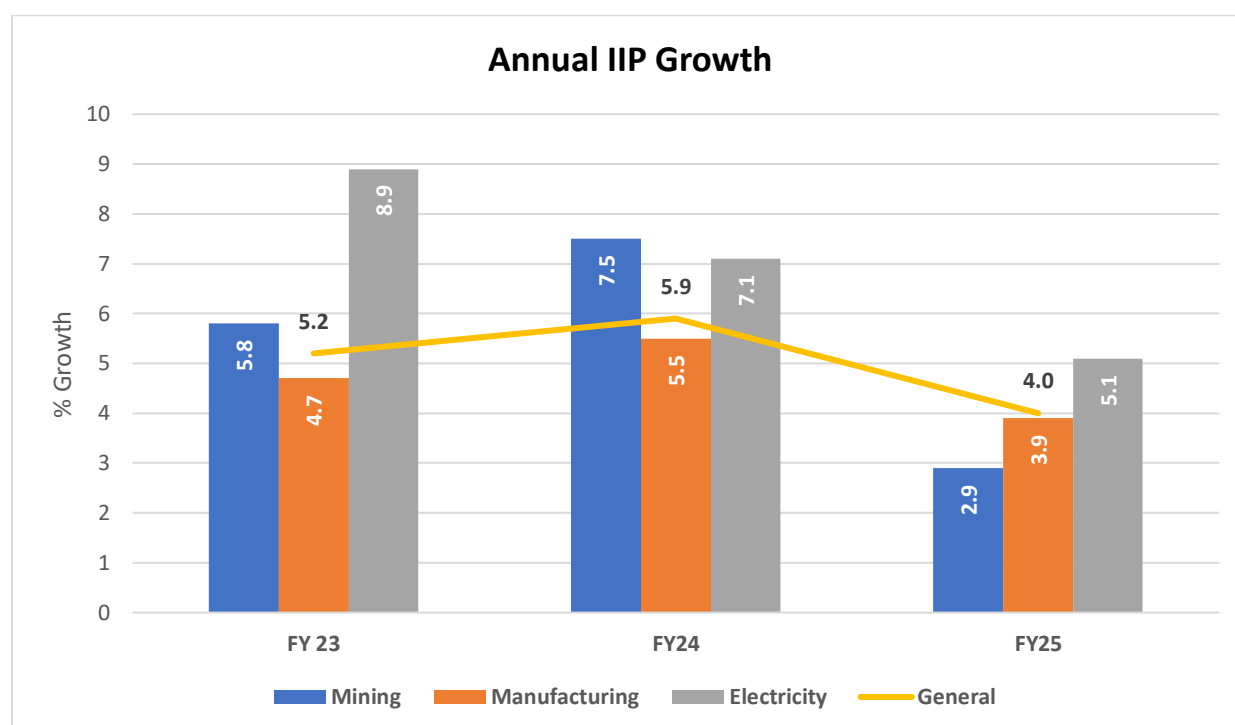
## **2.6 IIP Growth – Index of Industrial Production**

As per the Index of Industrial Production (IIP), the industrial sector grew by 4.0% in FY 2025, moderating from 5.9% in FY 2024 and 5.2% in FY 2023. This deceleration in overall IIP growth in FY 2025 reflects a softening of industrial momentum amidst global headwinds and tighter financial conditions.

Among key components:

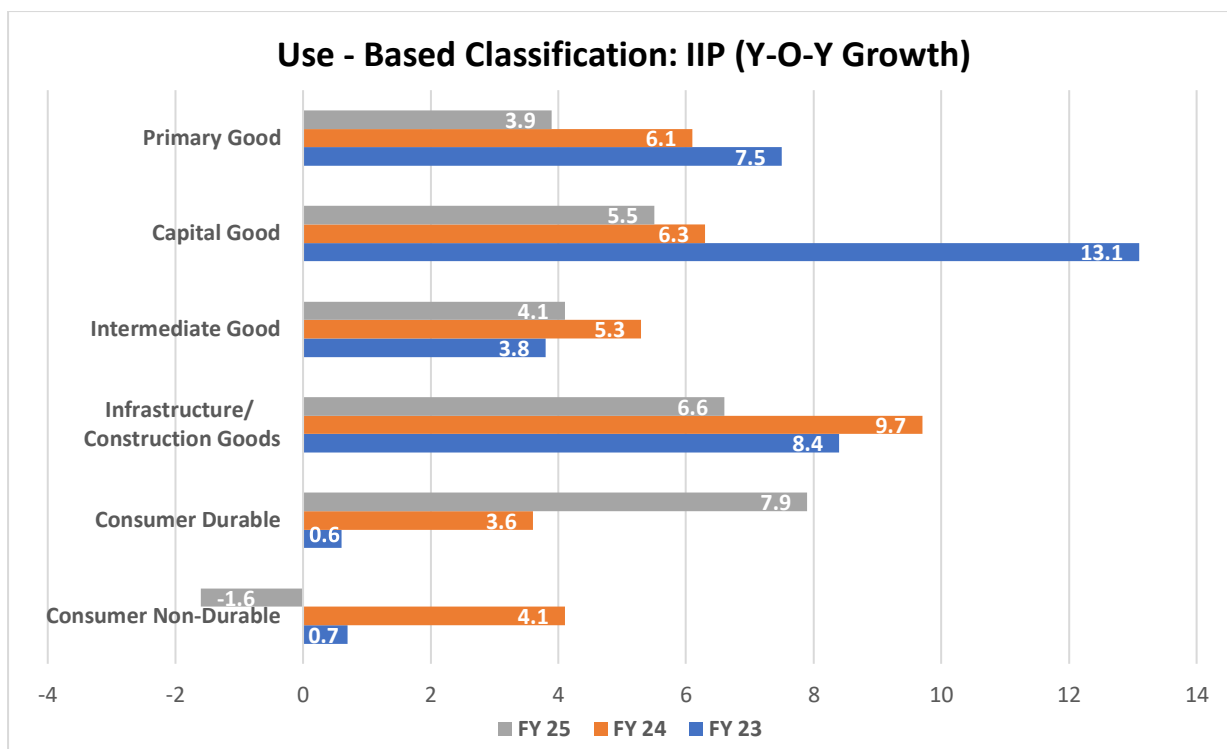
- **Manufacturing** (which holds a 77.6% weight in IIP) registered a slower growth of 3.9% in FY 2025, compared to 5.5% in FY 2024 and 4.7% in FY 2023.
- **Mining** growth also moderated sharply to 2.9% in FY 2025 from 7.5% in FY 2024 and 5.8% in FY 2023.
- **Electricity** growth remained relatively stable at 5.1% in FY 2025, slightly down from 7.1% in FY 2024 and significantly lower than 8.9% in FY 2023.

This slowdown indicates tightening domestic demand and spillover effects from a weaker global industrial cycle.



**Source: Ministry of Statistics & Programme Implementation (MOSPI)**

**Use-Based Classification Trends:**



**Source: Ministry of Statistics & Programme Implementation (MOSPI)**

According to the use-based classification:

- Capital Goods segment growth slowed to 5.5% in FY 2025, down from a high of 13.1% in FY 2023 and 6.3% in FY 2024, indicating a reduction in investment momentum.
- Primary Goods also witnessed slower growth at 3.9%, compared to 6.1% in FY 2024 and 7.5% in FY 2023.
- Intermediate Goods rebounded modestly to 4.1% in FY 2025, up from 3.8% in FY 2023, although still lower than 5.3% in FY 2024.
- Infrastructure/Construction Goods slowed to 6.6% in FY 2025 from 9.7% in FY 2024 and 8.4% in FY 2023, pointing to softening construction and infrastructure activity.
- Consumer Durables grew significantly by 7.9%, rebounding from 3.6% in FY 2024 and 0.6% in FY 2023, indicating improved demand in consumer electronics and appliances.
- In contrast, Consumer Non-Durables contracted by 1.6% in FY 2025, reversing the 4.1% growth in FY 2024, likely reflecting subdued rural and essential goods demand.

The divergence in growth across segments suggests an uneven industrial recovery in FY 2025. While certain consumer categories have rebounded, investment-related and primary sectors remain under pressure.

## **2.7 Overview on Key Demographic Parameters**

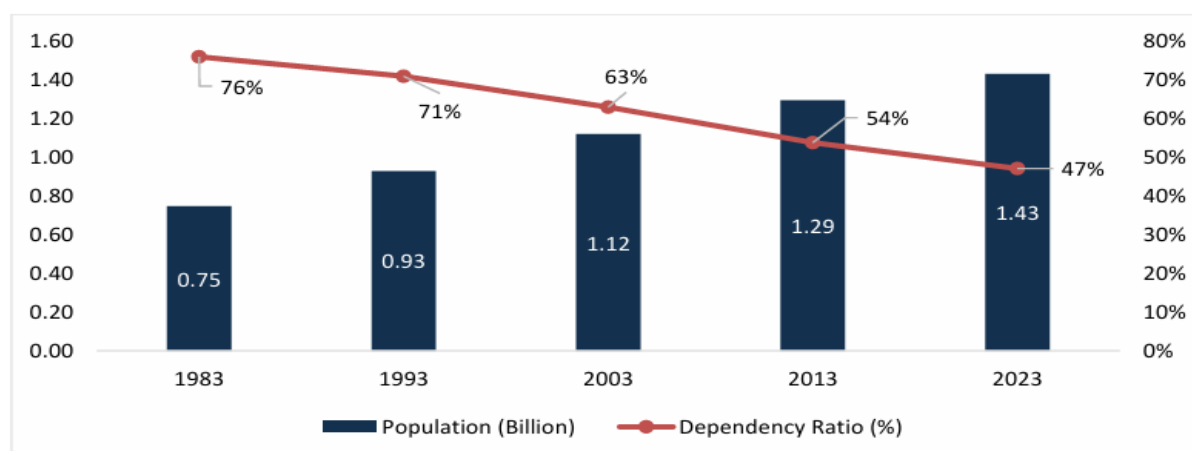
### **2.7.1 Population growth and Urbanization**

India's economic growth and expanding private consumption are intrinsically linked to its demographic and urbanization trends. According to the World Bank, India's population is estimated to have reached approximately 1.44 billion in 2024, reaffirming its position as the world's most populous country, ahead of China. This continued growth reflects an expanding labour force and consumer base, both of which are critical to sustaining long-term economic development.

A key metric in demographic analysis—the age dependency ratio, defined as the ratio of dependents (individuals aged below 15 or above 64) to the working-age population (15–64 years)—has been on a downward trajectory for several decades. From a high of 76% in 1983, the dependency ratio declined to 47% in 2023 and is estimated at 50.2% in 2024. This decline signifies that for every 100 working-age individuals, there are only about 50

dependents, indicating a favourable demographic dividend. A greater share of the population is now within the working-age group, potentially contributing to enhanced economic productivity and income generation.

### Trend of India Population vis-à-vis dependency ratio



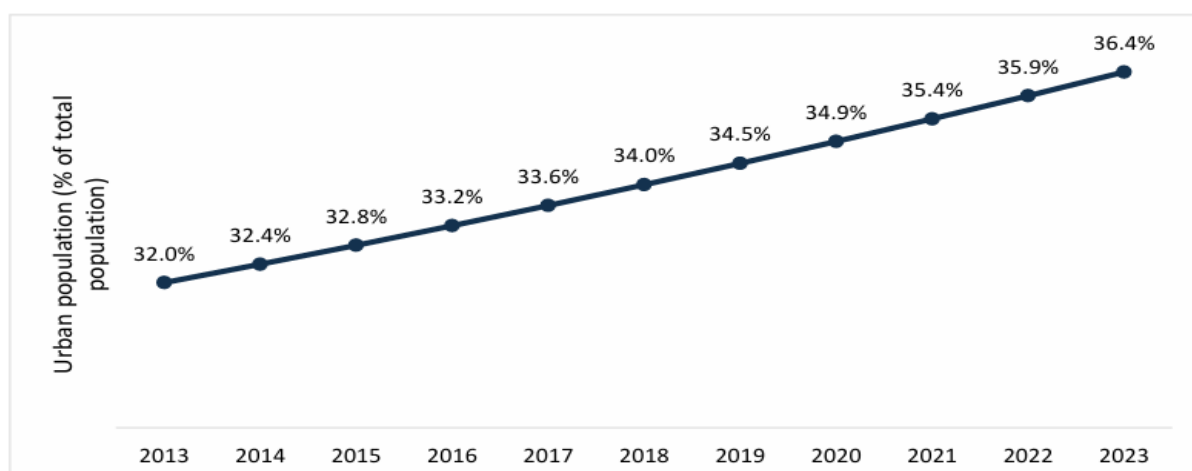
Source: World Bank Database

However, a parallel trend is emerging in the form of a rising old-age dependency ratio—the proportion of individuals aged 65 and above relative to the working-age population. This figure has gradually increased, reaching 10.4% in 2024, suggesting the onset of an aging demographic shift. This highlights the growing need for robust healthcare systems, pension reforms, and social security mechanisms to address future challenges associated with an aging population.

India's youthful demographic remains one of its most significant advantages. With a median age of around 29 years, India has one of the youngest populations globally. Nearly one-fifth of the world's youth resides in India, and as millions enter the workforce each year, this demographic bulge offers enormous potential—provided it is met with adequate job creation, education, and skills training.

Urbanization, too, is transforming India's socio-economic fabric. The urban population rose from 413 million in 2013 (32% of total population) to 519.5 million in 2023 (36.4%), and further to approximately 535 million in 2024 (36.9%), according to World Bank estimates. This rapid growth in urban areas underscores the need for sustainable urban planning, investment in infrastructure, and development of smart cities to accommodate and benefit from the shifting population dynamics.

### Urbanization Trend in India



Source: World Bank Database

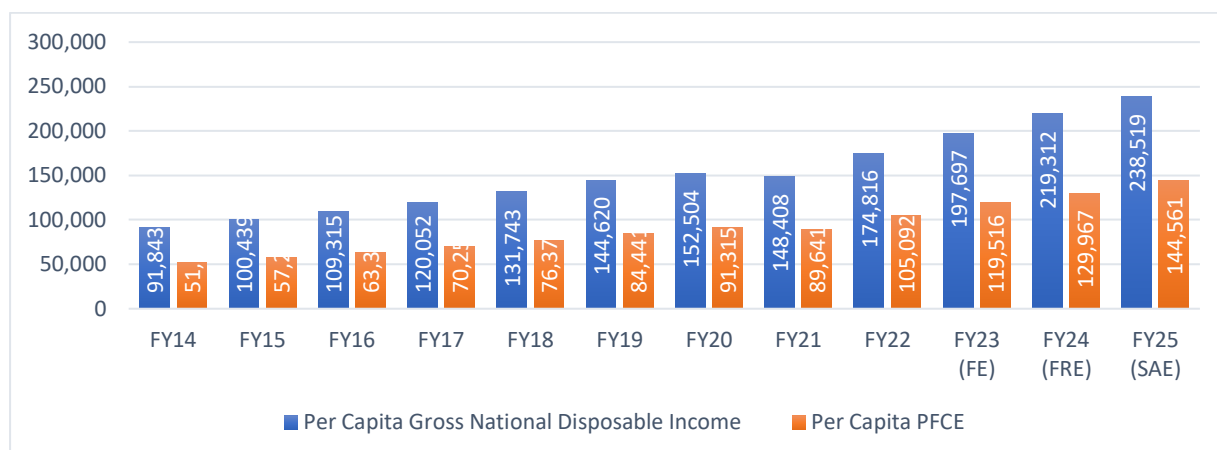
### 2.7.2 Disposable Income and Consumer Spending



Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. In FY24, Per capita GNDI grew by 9.85%, followed by a moderate growth of 8.05% in FY25. This steady increase indicates that households and businesses had more income at their disposal, which is critical for supporting both consumption and savings—key components of economic resilience and expansion.

The rise in GNDI has translated into higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE grew by 8.04% in FY24 and further accelerated to 10.09% in FY25, highlighting strong consumer confidence and robust domestic demand.

#### Trend of Per Capita GNDI and Per Capita PFCE (Current Price)



**Note:** Data mentioned is in Rs. Crore, FE – Final Estimates, FRE – First Revised Estimates, SAE – Second Advanced Estimate; Source: MOSPI

#### 2.8 Union Budget FY25-26 Highlights

The **Union Budget FY 2025–26**, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**

The government has earmarked a substantial ₹11.21 lakh crore (3.1% of GDP) for capital expenditure in FY 2025–26. This allocation is directed towards infrastructure projects, including rural development, manufacturing, and skill-building initiatives. Notably, the Urban Challenge Fund has been established with a corpus of ₹1 lakh crore, aimed at financing 25% of the cost of bankable urban infrastructure projects, thereby promoting sustainable urban development.

- **Support for MSMEs**

Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduces several measures to bolster this sector. The Credit Guarantee cover has been enhanced to ₹10 crore, unlocking ₹1.5 lakh crore in additional funding for MSMEs over the next five years. Additionally, the establishment of a Fund of Funds with a ₹10,000 crore corpus aims to provide equity support to startups and potential MSMEs, focusing on high-growth sectors such as electronics and renewable energy.

- **Tax Reforms and Disposable Income**

To stimulate consumption and investment, the budget introduces significant tax reforms. The tax-free income threshold has been raised to ₹12 lakh, and the new tax regime offers reduced rates for higher income brackets. These changes are expected to increase disposable income, thereby encouraging higher savings and investment among the middle class.

- **Focus on Agriculture and Exports**

The budget prioritizes agriculture as a key engine of development, with increased allocations for agricultural credit and initiatives aimed at enhancing productivity. Furthermore, measures to promote exports include the reduction of customs duties on select goods and the introduction of policies to facilitate easier market access for Indian products.

- **Urban Development Initiatives**

A significant increase in the budget allocation for the Ministry of Housing and Urban Affairs to ₹96,777 crore reflects the government's commitment to urban development. Key initiatives include the establishment of the Urban Challenge Fund, enhanced loans under the PM SVANidhi scheme, and substantial provisions for the Pradhan Mantri Awas Yojana and Urban Rejuvenation Mission, all aimed at improving urban infrastructure and living standards.

The Union Budget FY 2025–26 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, tax reforms, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

## **2.9 Concluding Remarks about Macroeconomic Scenario**

The major headwinds to global economic growth remain significant, with escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflationary pressures, instability in international financial markets, climate change, rising public debt, and the rapid evolution of new technologies. Despite these challenges, India's economy is relatively well-positioned compared to other emerging markets. According to the latest IMF forecast, India's GDP growth is expected to be 6.2% in 2025, maintaining its position as the fastest-growing major economy globally, well above the global growth projection of 2.8%. Key positive factors for the Indian economy include continued strong domestic demand, robust government support for capital expenditure, moderating inflation, growing investments in technology, and improving business confidence.

India's strategic position as a manufacturing hub is further strengthened by government initiatives, a skilled labour force, and a dynamic startup ecosystem, all of which bolster the country's economic outlook. The ongoing reforms and focus on innovation are enabling India to seize emerging opportunities, making it a growing player in the global manufacturing landscape. In addition, several high-frequency growth indicators—such as the Purchasing Managers' Index (PMI), E-way bills, bank credit, toll collections, and GST collections—have shown a positive trajectory in FY25. The normalization of employment post-economic reopening is expected to provide further support to consumption expenditure.

Public investment is also poised to grow, with the government allocating a significant ₹11.21 lakh crore for capital expenditure in FY25. The private sector's investment intentions are showing positive signs, as evidenced by increased new project investments and a strong import of capital goods. Furthermore, rural demand is likely to improve, bolstered by healthy sowing, better reservoir levels, and the positive progress of the southwest monsoon, coupled with the government's push for infrastructure investment and other policy measures. These factors are expected to further support the investment cycle and strengthen India's economic resilience in the coming years.

## **3. Industry Overview**

### **Introduction**

Some may associate cotton with the soft touch of a summer shirt, a handwoven saree, or the comfort of a bedsheet—but behind these familiar textures lies a vast and intricate industrial ecosystem. The cotton processing and export industry is one of the most enduring and economically vital sectors in global manufacturing and agriculture, transforming raw farm produce into one of the world's most traded natural fibers. From ginning factories in India to textile mills in Bangladesh and retail shelves in Europe and America, cotton powers a supply chain that blends tradition with technology, and rural livelihoods with global commerce.

The cotton industry's influence extends far beyond fabric. It underpins multiple sectors, from fashion and home furnishings to industrial textiles and personal care products. The process begins with the ginning of seed cotton—an essential step that separates the valuable lint from the seeds—followed by pressing the fiber into transportable bales. These bales serve as the building blocks for yarn spinning, weaving, dyeing, and manufacturing apparel across continents. In every cotton garment lies the outcome of a sophisticated supply chain involving cultivation, mechanization, logistics, and international trade.

India, the United States, and China form the backbone of the global cotton economy, each contributing in distinctive ways. India boasts the world's largest cotton cultivation area, supported by a network of smallholder farmers and cooperative ginning units. The U.S. dominates in high-efficiency, large-scale mechanized farming and exports top-quality bales to over 80 countries. China, with its vertically integrated textile parks and vast spinning capacity, remains the world's largest consumer of cotton fiber. Together, these nations shape the volume, quality, and direction of cotton trade worldwide.

Technological innovation is steadily transforming the cotton processing landscape. From advanced roller gins to contamination-free baling systems, modern ginning units are evolving into smart, traceable processing hubs. The integration of digital quality control, QR-coded bale tracking, and AI-powered classification systems is bringing transparency and precision to a traditional manual industry. Meanwhile, satellite-based crop monitoring and blockchain-backed procurement platforms are revolutionizing the upstream cotton supply chain—ensuring that each bale tells a verifiable story of its origin, quality, and sustainability.

Globally, trends such as ethical sourcing and traceable fiber content are redefining how cotton is grown, processed, and sold. Retail brands are under pressure to demonstrate environmental and social accountability, pushing the demand for responsible grown and certified cotton. For exporters, this has meant aligning with international standards like GOTS, OEKO-TEX, and BCI, and investing in bale traceability and contamination-control technologies. From farm to fashion, the demand is shifting toward cleaner, certified, and identity-preserved cotton.

As environmental awareness deepens, the industry is embracing sustainable practices. Water-efficient irrigation, organic farming, low-impact ginning, and circular packaging are gaining traction globally. In India, the government’s Kasturi Cotton Bharat initiative is reinforcing the country’s reputation as a supplier of pure, ethically produced cotton, with branding and traceability protocols that rival international benchmarks. This move is not only elevating India's cotton profile but also creating a new premium category for export markets.

India, with its vast agrarian base, technical capabilities, and export orientation, is emerging as a global hub for cotton processing and trade. Supportive policy frameworks like the Production Linked Incentive (PLI) Scheme, Remission of Duties and Taxes on Exported Products (RODTEP), and various agri-export subsidies are driving sectoral growth. The expanding demand from international markets, combined with rising domestic consumption from textile clusters, is fueling steady growth in processing capacity, export volume, and innovation.

As India strengthens its role in the global cotton economy, the cotton processing and export industry is poised to become a cornerstone of sustainable industrial transformation. With the convergence of technology, trade, and environmental consciousness, this industry is set not just to clothe the world—but to do so with greater accountability, resilience, and value in the years to come.

## Key Market Segments

The cotton industry can be segmented based on product type, application, processing type, distribution channel. Each segment serves different market demands and value chains.

Segmentation Category	Segment	Details & Examples
1. Product Type	Raw Cotton	Unprocessed cotton directly from farms; sent to ginning mills.
	Cotton Lint	Fiber separated from seeds post-ginning; input for spinning mills.
	Cotton Bales	Pressed lint packed in standardized units for storage and export.
	Cottonseed	By-product from ginning; used in oil extraction and feed.
	Cotton Cake	Residue after cottonseed oil extraction; used as high-protein cattle feed.
	Organic Cotton	Grown without chemical fertilizers/pesticides; GOTS or India Organic certified.
	Recycled Cotton	Processed from textile waste (post-consumer/post-industrial); supports circular economy.
	Cotton Yarn	Yarn spun from cotton lint—used in knitting, weaving, and sewing
	Open end Yarn	Coarser yarn produced by rotor (open-end) spinning; bulkier, more absorbent, abrasion-resistant; ideal for towels, denim, industrial fabrics
2. Application	Textiles & Apparel	Spun into yarn for clothing—shirts, denim, T-shirts, etc.
	Home Furnishings	Bedsheets, pillowcases, curtains, towels, cushion covers.
	Medical & Hygiene	Used in absorbent cotton, surgical dressings, swabs, pads.
	Industrial Use	Cotton used in canvas, tents, filters, insulation, tarpaulins.

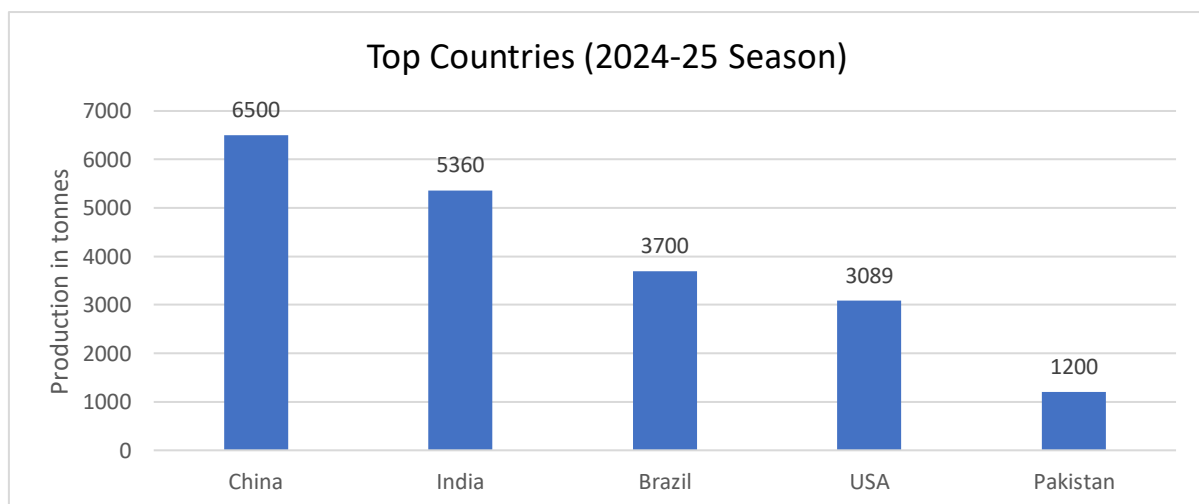
	Oil Extraction	Cottonseed crushed to extract edible oil.
	Animal Feed	Cotton cake used as feed in dairy and poultry farming.
	Personal Care Products	Cotton balls, baby wipes, makeup removal pads, hygiene products.
3. Processing Type	Conventional Cotton	Grown using agrochemicals and standard seeds; most common method.
	Organic Cotton	Certified eco-friendly production without synthetic inputs.
	Bt Cotton	Genetically modified for pest resistance; ~90% of Indian cotton area.
4. Distribution Channel	Domestic Wholesalers & Traders	Purchase from ginneries; sell to mills, exporters, or retailers.
	Spinning & Textile Mills	Directly procure lint for converting into yarn/fabrics.
	Exporters & International Buyers	Export cotton bales/lint to countries like Bangladesh, China, Vietnam.
	E-commerce & Retail Brands	Sell finished organic cotton products online (e.g., Amazon, D2C brands).
	Institutional Buyers	Hospitals, industries, government procure for bulk cotton usage.

### 3.1 Global Cotton Industry

Cotton refers to a natural fiber obtained from the seeds of the cotton plant, belonging to the genus *Gossypium*. This fiber is one of the most extensively utilized fibers in the textile industry owing to its softness, breathability, and durability. The extensive use of cotton as a primary raw material for textiles and high demand for clothing, home textiles, and industrial fabrics are significantly boosting the market growth. The increasing global population is leading to a higher demand for cotton-based products, particularly in emerging economies with a growing middle-class population which is influencing the market growth. According to the United Nations, the world's population is more than three times larger than it was in the mid-20<sup>th</sup> century. The global cotton market size reached 25.1 million Tons in 2024. By 2033, the market expects to reach 28.2 million Tons, at a projected CAGR of 1.24% during 2025-2033. *Source – Imarc*)

#### Top Producers

China remains the world's largest cotton producer with 6,500 thousand tonnes, driven by highly mechanized and technology-integrated farming, particularly in the Xinjiang region, which contributes over 80% of national output. The country's use of Bt cotton, machine harvesting, and precision agriculture ensures high productivity, supporting its vast domestic textile sector. India ranks second with 5,360 thousand tonnes, continues to gain ground as a major cotton exporter known for clean, contamination-free lint, largely produced in Mato Grosso and Bahia through double cropping systems and GM seed adoption. The United States, producing 3,089 thousand tonnes, exemplifies efficient, large-scale cotton farming, with exports comprising nearly 75% of its output—favoured globally for its high-quality long-staple cotton under the Cotton USA brand. Meanwhile, Pakistan, producing around 1,200 thousand tonnes, faces declining yields due to pest outbreaks, floods, and policy gaps, although cotton remains a critical input for its robust textile export economy, particularly in Punjab and Sindh.



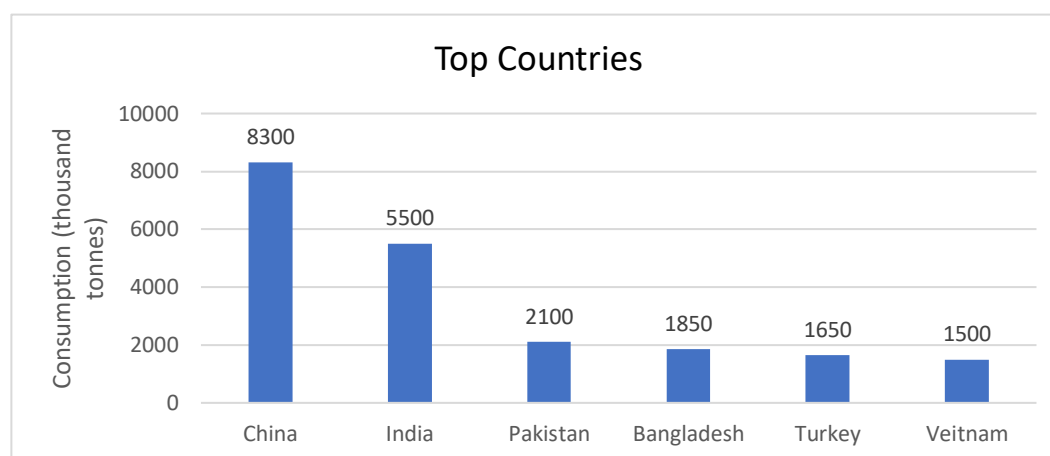
**Source – ICAC (International Cotton Advisory Committee)**

### **3.1.1 Cotton Use and Trade by major Countries**

Cotton consumption is a key indicator of textile manufacturing activity in a country. It reflects how much raw cotton is processed (primarily into yarn and fabric), and correlates directly with industrial output in the textile and apparel sectors. The 2024/25 season data highlights Asia’s continued dominance in global cotton consumption, with China and India leading the way.

#### **Top Consumers**

China remains the world’s largest cotton consumer with 8,300 thousand tonnes, accounting for over 30% of global cotton use. This high consumption supports China’s vast textile ecosystem, including spinning, weaving, dyeing, and garment manufacturing, concentrated in regions like Zhejiang, Jiangsu, and Guangdong. Despite rising labour costs, China maintains competitiveness through automation, vertical integration, and strategic cotton imports, particularly from the U.S., Brazil, and India. India, consuming 5,500 thousand tonnes, is the second-largest consumer globally, with cotton forming about 60% of the raw material base for its textile industry. Major hubs like Tirupur, Ludhiana, Ahmedabad, and Surat drive consumption for yarn, knitwear, and home textiles, although India also imports extra-long staple cotton to meet quality demands. Pakistan consumes around 2,100 thousand tonnes, supporting its export-oriented textile industry, while compensating for declining domestic cotton production with imports. Bangladesh, with 1,850 thousand tonnes of consumption, relies almost entirely on imports to power its massive garment manufacturing sector that supplies major global brands. Turkey, at 1,650 thousand tonnes, has a vertically integrated industry backed by strong domestic and export demand, with production centred in Denizli, Istanbul, and Gaziantep. Lastly, Vietnam consumes 1,500 thousand tonnes, fuelled by rapid FDI-led growth in textile manufacturing as global brands diversify away from China. Nearly all of Vietnam’s cotton is imported, and its consumption is expected to rise further due to continued infrastructure expansion and export momentum.



**Source – ICAC (International Cotton Advisory Committee)**

#### **Trade Dynamics**

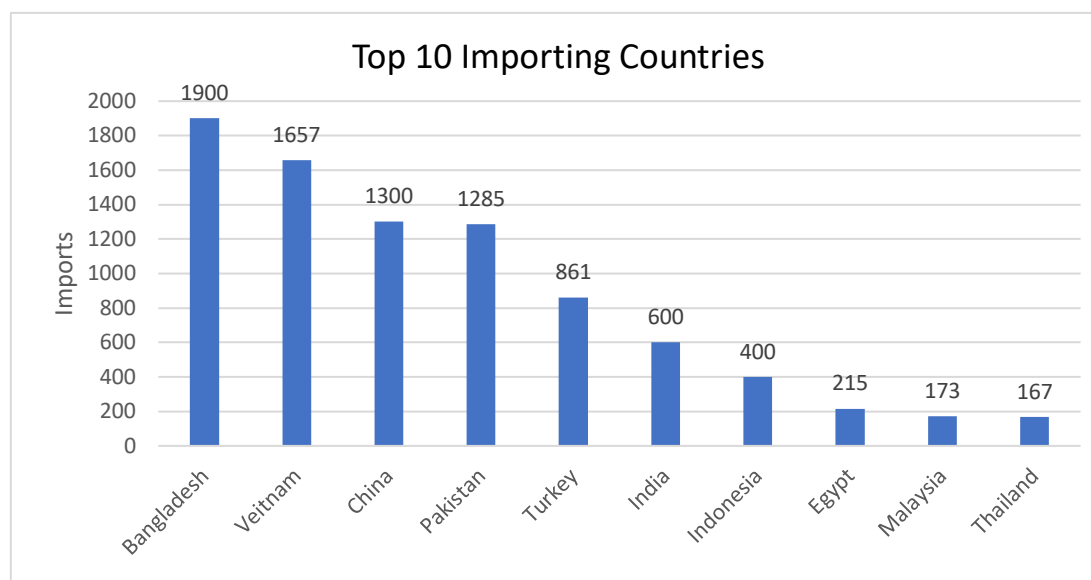
##### **Top 10 Importing Countries**

The leading global importers of cotton during the forecasted cotton season, measured in thousand tonnes. According to the data, Bangladesh emerges as the largest importer, with cotton imports reaching 1,900 thousand tonnes. This is reflective of its highly export-driven ready-made garment (RMG) industry, which lacks sufficient domestic cotton production and thus relies heavily on imports for spinning and textile production.

Following Bangladesh, Vietnam ranks second with 1,657 thousand tonnes, driven by rapid expansion in textile and apparel exports, particularly to U.S. and European markets. China, traditionally a cotton producer, still ranks

third with 1,300 thousand tonnes of imports. This indicates that despite large-scale domestic cultivation, China's internal demand for high-quality or specific varieties of cotton continues to outpace its production.

Pakistan, another major cotton-spinning country, imported approximately 1,285 thousand tonnes, largely due to declining domestic yields affected by weather volatility. Turkey also features prominently with 861 thousand tonnes, as it continues to be a global hub for denim and home textiles. India, despite being one of the largest cotton producers globally, appears sixth on the list with 600 thousand tonnes of imports and Indonesia at 400, which are likely to meet shortfalls in specific grades or for blending purposes in mills. The remaining three countries—Egypt (215), Malaysia (173), and Thailand (167)—show considerably lower import figures.

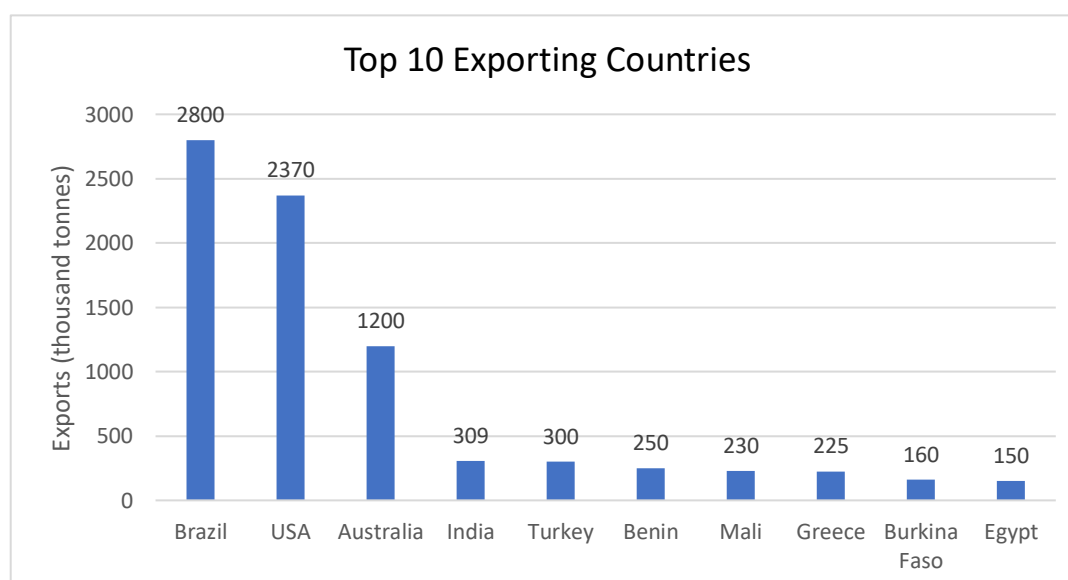


*Source – ICAC (International Cotton Advisory Committee)*

### Top 10 Exporting Countries

Brazil leads the global export market with 2,800 thousand tonnes, reinforcing its position as the largest cotton exporter, supported by vast arable land, favourable climate, and advanced mechanization. The United States follows closely with 2,370 thousand tonnes, a traditional leader in cotton exports due to its efficient supply chain and high-quality output. Australia, despite its relatively smaller size, secures third place with 1,200 thousand tonnes, owing to its technologically advanced irrigation and farming practices.

India ranks fourth with 309 thousand tonnes, indicating a relatively lower export volume despite being one of the largest cotton producers, as much of its cotton is consumed domestically. Turkey is close behind with 300 thousand tonnes, benefiting from its integrated textile industry. The remaining exporters—Benin (250), Mali (230), Greece (225), Burkina Faso (160), and Egypt (150)—are mostly smaller economies in Africa and Europe that rely heavily on cotton exports for foreign exchange earnings. This distribution highlights both the dominance of major agricultural economies and the significant contribution of developing nations in the global cotton trade.



*Source – ICAC (International Cotton Advisory Committee)*

### 3.1.2 Trend in International cotton prices

The annual average global cotton prices over the past five years reveal a pattern of sharp fluctuations followed by gradual stabilization, reflecting shifting market fundamentals. In 2021, cotton prices averaged \$0.9346 per pound, driven by strong post-COVID recovery in textile demand and constrained global supply chains. Prices peaked in 2022 at an annual average of \$1.1284, marking the highest level in over a decade, largely due to droughts in the

U.S., floods in Pakistan, and soaring input costs. However, the market corrected sharply in 2023, with prices averaging \$0.8298, as global demand softened and inventories increased. The declining trend continued in 2024, when prices fell to an average of \$0.7703, impacted by weak apparel demand, increased global production, and currency pressures in emerging economies. In 2025, cotton prices are projected to average \$0.6643, indicating a further moderation as the global market adjusts to balanced supply-demand conditions. This five-year trend underscores the importance of climatic conditions, input costs, and macroeconomic shifts in influencing cotton price trajectories. *Source – Macrotrends.net*

International cotton prices have shown significant fluctuations over the past decade, influenced by global supply-demand imbalances, weather shocks, trade policies, and macroeconomic factors.

- **Currency Fluctuations** - Strengthening US Dollar, As of June 13, 2025, the USD/INR exchange rate stood at approximately ₹86.09 per US dollar, a 3% depreciation from a year ago (₹83.56 on June 13, 2024). A stronger dollar makes US cotton more expensive for buyers paying in local currencies. During mid-2022, the US dollar index reached a two-year high, which steered importers toward alternative suppliers like Brazil and India. Exporters in countries with weaker currencies can sometimes offset this shift by offering cotton at lower USD-adjusted prices—boosting competitiveness.
- **Weather Conditions** - Cotton is a climate-sensitive crop that requires a precise balance of temperature, rainfall, and sunshine. As such, it is highly vulnerable to extreme weather events like droughts, floods, and unseasonal rainfall. Disruptions in key producing regions can significantly impact global cotton supply, triggering price volatility in international markets.
- **Global Demand Fluctuation** - Global demand for cotton is closely tied to the health of the textile and apparel industry, which in turn is influenced by broader economic trends, fashion cycles, and retail consumption patterns. Sudden drops in demand—such as those witnessed during the COVID-19 pandemic in 2020—can trigger sharp declines in cotton prices. During the early months of the pandemic, widespread retail closures, order cancellations, and supply chain disruptions led to a global halt in garment production, causing a dramatic drop in raw cotton demand. Conversely, demand surges—often driven by post-crisis recovery, fashion booms, or inventory restocking cycles—can cause rapid upward movement in prices. For example, in the aftermath of COVID-19, as global economies reopened and brands rushed to rebuild inventories, cotton consumption soared across key textile-producing countries such as China, India, Bangladesh, and Vietnam.
- **Government Policies & Trade** - Government interventions and international trade policies have a profound influence on the global cotton market, shaping supply dynamics, pricing, and international competitiveness. In 2022, India implemented a temporary export restriction on cotton, intending to stabilize domestic fiber prices and secure raw material supplies for its textile sector.

### 3.2 Indian Cotton Industry

India is the largest producer of cotton globally, accounting for 23% of total global cotton production. It is a crop that holds significant importance for the Indian economy and the livelihood of Indian cotton farmers. Cotton grows over 13.06 million hectares in India compared to 33.1 million hectares globally. The Indian

cotton industry provides livelihood to about 60 million people in the country. The Southern Zone (which comprises states like Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu) is the second biggest producer of cotton, producing about 28.5% of the nation's cotton, with Telangana producing the largest in the Southern Zone and the third largest in the country, contributing 5.31 million bales (bales of 170 kg each). India Cotton Market Size is expected to reach a significant CAGR of 7.2% during the forecast period 2025-2031. Source – 6W research

### Trade Dynamics for Cotton

Trade Flow	April-March2024 (R)	Apr-Mar 2025 (F)	%Growth
Export	6780.81	6333.82	-6.59
Import	791.01	1418.58	79.34

#### Major Imports (Values in US\$ Million)

Major Countries	Apr-Mar2025(F)	% Share
Australia	258.27	18.20
U S A	235.11	16.58
Brazil	180.84	12.75
Egypt	123.80	8.73
China	99.56	7.02
ther Countries	521.00	36.72
Total	1418.58	100%

#### Major Exports (Values in US\$ Million)

Major Countries	Apr-Mar2025(F)	% Share
Bangladesh	2,803.21	44.25
Vietnam	320.57	5.06
Sri Lanka	292.57	4.62
China	235.74	3.72
Egypt	192.17	3.03
Other Countries	2489.56	39.32
Total	6333.82	100%

*Source – Ministry of Commerce and Industry*

## 3.3 Indian Cotton Yarn& Processing Industry

### 3.3.1 Overview on Ginning, Pressing & Spinning

Cotton yarn is one of the most essential intermediate products in the textile value chain, serving as the backbone of fabric production across both woven and knitted applications. Produced by spinning raw cotton fibers into continuous threads, cotton yarn is graded by its fineness (count), twist, and fiber quality. India, as one of the world's largest producers and exporters of cotton yarn, plays a pivotal role in supplying global markets—particularly countries like Bangladesh, China, and Vietnam. Cotton yarn is manufactured in various forms such as carded, combed, or compact yarn, each designed to meet specific requirements for softness, strength, and durability. A key segment within cotton yarn production is open-end yarn—also known as rotor-spun yarn—which is created through a cost-efficient, high-speed process that eliminates the need for traditional ring spinning. While open-end yarn is typically coarser and less strong than ring-spun yarn, it is widely used in the manufacture of bulk fabrics like denim, towels, and industrial cloth, where cost and volume efficiency matter more than fineness.

The Indian cotton value chain begins at the farm level and transitions through several stages—**ginning**, **pressing**, and **spinning**—before cotton is transformed into yarn and fabric. These intermediate processes form the backbone of India's textile manufacturing ecosystem and are critical for both domestic supply and export readiness.

#### 1.Ginning & Pressing

**Ginning** is the foundational mechanical process in the cotton value chain that prepares raw seed cotton, commonly known in India as *kapas*, for further processing into yarn and fabric. It involves the crucial step of separating the cotton fibers, referred to as *lint*, from the seeds embedded in the cotton boll. Before this separation, the cotton is typically cleaned to remove field debris such as leaves, sticks, and dust. In India, the ginning process is most carried out using **Double Roller (DR) gins**, which are especially suitable for long-staple cotton and are preferred for their ability to produce cleaner lint with less fibre damage. However, in regions where high-speed processing is prioritized—such as parts of Gujarat and Maharashtra—**Saw gins** are also used due to their higher throughput capacity, though they are generally more suited to short- and medium-staple cotton varieties.



Once the lint is separated from the seeds, it is transferred to the pressing unit, where it is compacted into standardized cotton bales, each weighing approximately 170 kilograms as per Indian market standards. These bales are wrapped and labelled, often with QR codes or barcodes, especially if intended for export or organic certification.

The entire ginning and pressing process is central to the cotton supply chain, as the resulting bales are the **primary raw material for spinning mills**, where they are further processed into yarn. The quality of ginning—particularly fiber length, cleanliness, and uniformity—directly affects the efficiency and quality of yarn production. As a result, modern ginning units in India are increasingly incorporating **contamination removal systems**, moisture regulators, and digital traceability systems to meet the quality requirements of both domestic textile mills and global apparel brands

### Core Machine Used in Ginning

- **Cotton picker & module builder**—that pack cotton into modules for transport by truck. A feeder/dispenser then unloads modules for processing
- **Wad Buster** - It breaks up the clumps of seed cotton by tossing it against a screen. Loose remains fall through the screen openings down a narrow chute.
- **Steady Flow** - Then the seed cotton moves through this machine, which divides it equally between two processing lines.
- **Burr Machine** - On each line, the seed cotton enters a Burr Machine, which grabs the seed cotton with a circular saw and swings it against metal bars.
- **Gin Stands** - Multiple saw-type gin stands extract lint by pulling fibres through ribs, leaving seeds behind—standard in modern ginneries
- **Pneumatic and belt conveyors** - It transfer lint to cleaners, where finer impurities are removed

### Types of Ginning:

- **Saw Ginning** -Saw ginning employs rapidly spinning circular saw blades that pull fibres through narrow ribs, effectively separating lint from seed cores and removing trash; this method is ideal for short- to medium-staple cotton with high contaminant content, and offers high throughput, though it can damage fibres and increase short-fibre and nep content.
- **Roller Ginning** - Roller ginning (also known as knife or McCarthy ginning) uses grooved leather rollers that gently grip the fibres and a stationary or rotary knife to slice the fibres away from seeds, preserving fibre length and purity and yielding cleaner, longer lint—making it the method of choice for long-staple cotton—but it processes more slowly and is best used with low-trash, well-moisturized cotton

## 2.Spinning

The spinning process is a critical stage in the cotton textile value chain, where pressed cotton lint from ginning units is transformed into yarn through a sequence of operations that include

cleaning, combing, drawing, and twisting the fibres. In India, two major spinning technologies dominate the industry: Ring-Spun Yarn (RSY) and Open-End (OE) Yarn. Ring spinning is the most widely used method, especially for producing medium to fine yarn counts ranging from 20s to 60s (Ne). It delivers yarn that is stronger, smoother, and more durable, making it ideal for apparel, shirting, and export-quality woven fabrics. On the other hand, Open-End spinning uses rotor technology and is preferred for coarser yarn counts (typically 10s to 20s). This method is faster and more economical, though it produces yarns with relatively lower softness and strength, and is best suited for denim, towels, and industrial textile applications. As global markets shift toward sustainable sourcing, India is also witnessing a rise in Compact Spinning, which enhances yarn quality by reducing hairiness and improving strength. Furthermore, demand for recycled and organic cotton yarns—especially those certified under GOTS (Global Organic Textile Standard) and BCI (Better Cotton Initiative)—is accelerating, driven by ethical sourcing mandates from global apparel brands.

### 3.3.2 Domestic Demand and Supply dynamics

- India's cotton yarn sector is poised for substantial revenue growth, forecasting a 7-9% increase in FY26. The demand for Indian cotton yarn is shaped by a combination of domestic consumption patterns, global

sourcing shifts, trade agreements, and the evolving needs of the international textile industry. As one of the world's largest producers and exporters of cotton yarn, India benefits from strong and sustained demand across both domestic and global markets.

- The domestic demand and supply dynamics of India's cotton yarn industry are shaped by several interlinked factors, including regional spinning capacities, seasonal raw material availability, and end-user industry demand. India hosts some of the largest spinning mill clusters in the world, with major hubs located in Tiruppur and Coimbatore (Tamil Nadu), Ludhiana (Punjab), and Ichalkaranji (Maharashtra). These regions have developed strong ecosystems around spinning, supported by proximity to cotton-growing areas, skilled labor, and established textile markets
- On the supply side, cotton yarn production is highly seasonal, driven by the cotton harvest cycle, which typically spans October to March. During the post-harvest period, cotton availability peaks, leading to higher ginning and spinning activity, relatively stable prices, and better capacity utilization in spinning mills. However, during the off-season (April to September), cotton availability tightens, and mills either rely on stored bales or reduce operations, often leading to higher input costs and price volatility.
- Despite growing competition from man-made fibres (MMFs) such as polyester, cotton continues to dominate the Indian fibre basket, accounting for more than 60% of the

raw material usage in the textile sector (Ministry of Textiles, 2024). Domestic demand experiences seasonal spikes, especially during festival seasons and apparel export cycles, contributing to periodic inventory adjustments in spinning mills. Structural challenges include cotton price volatility, energy costs, and labour availability, yet these are partly offset by policy support measures like the Production Linked Incentive (PLI) Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), and the Technology Upgradation Fund Scheme (TUFS).

- Driven by a rising middle class, urbanization, and robust textile infrastructure, India's domestic cotton yarn market is projected to remain resilient and growth oriented. Continued modernization, value-added manufacturing, and government-backed competitiveness initiatives ensure that India maintains its stronghold in both domestic and global cotton yarn trade.
- Domestic demand also fluctuates based on festive and export cycles, with peaks observed during the second and third quarters of the financial year. Additionally, the market has seen increasing substitution pressure from synthetic yarns, especially in low-cost garments, although cotton continues to hold dominance in premium and natural fiber segments. Challenges such as rising power costs, labor shortages, and cotton price volatility periodically affect mill margins and production scheduling. Nevertheless, strong fundamentals, government support through PLI schemes, and sustained downstream demand from the apparel and home furnishing sectors ensure a stable and growing demand base for cotton yarn within India.

### 3.3.3 Trade Dynamics for Cotton Yarn

India has long been a leading exporter of cotton yarn, contributing significantly to the global textile supply chain. India Exported over \$ 3354.70 million in Apr-March 2025 of cotton yarn (HSN Code 5205), as per the Directorate General of Commercial Intelligence and Statistics (DGCI&S). This makes cotton yarn one of the top textile-related export categories for the country. Indian cotton yarn is known for its high quality, wide range of counts, competitive pricing, and availability in both ring-spun and open-end forms, catering to diverse global fabric and garment manufacturing needs.

#### Trade Dynamics – Cotton Yarn

Trade Flow	April-March2024 (R)	Apr-Mar 2025 (F)
Export	3,576.34	3,354.70
Import	23.49	22.44

**Major Imports (Values in US\$ Million)**

Major Countries	Apr-Mar2025(F)	% Share
Vietnam	11.70	52.14
Egypt	7.55	33.63
China	0.55	2.45
U Arab	0.52	2.32
Italy	0.51	2.27
Other Countries	2.66	11.85
Total	<b>22.44</b>	<b>100%</b>

**Major Exports (Values in US\$ Million)**

Major Countries	Apr-Mar2025(F)	% Share
Bangladesh	1,682.12	50.12%
China	216.09	6.44%
Peru	158.45	4.72%
Vietnam	156.63	4.67%
Egypt	153.08	4.56%
Other Countries	988.33	29.46%
Total	<b>3,354.70</b>	<b>100%</b>

**Note:** R – Revised Final, F- Final, Source – Ministry of commerce and Industry (Directorate General of Commercial Intelligence and Statistics (DGCI&S))

**3.4 Organic Cotton Industry – Global & Indian****Introduction**

Organic cotton is grown in agricultural systems that work with nature, rather than against it. The organic way of farming combines tradition, innovation, and science to benefit the environment, promoting fair relationships and improved quality of life for all. Organic farming systems have the potential to sustain and promote the health of soils, ecosystems, and people by relying on ecological processes, biodiversity, and cycles that are adapted to local conditions, rather than using external inputs that could have adverse effects.

Organic cotton has emerged as a transformative segment within the global textile industry, representing a critical shift toward environmentally responsible and ethically sourced raw materials. Unlike conventional cotton, organic cotton is cultivated without the use of synthetic pesticides, fertilizers, genetically modified seeds, or harmful chemicals, making it significantly less harmful to ecosystems, soil health, and farm workers. This sustainable fiber is grown using natural farming techniques such as crop rotation, organic composting, and biological pest control, which help conserve water and maintain biodiversity.

Over the past decade, the global organic cotton market has gained substantial traction, driven by a rising consumer preference for eco-friendly products, stricter environmental regulations, and growing commitments from fashion brands to adopt sustainable sourcing practices. As global concerns over climate change, pesticide overuse, and textile pollution intensify, organic cotton has become a preferred alternative in industries ranging from fashion and home textiles to medical and baby products. Major apparel brands—such as Patagonia, H&M, Levi's, and C&A—are increasingly setting ambitious goals to transition toward 100% organic or sustainable cotton in their supply chains.

The state governments are responsible for production of all types of cotton including organic cotton. The Department of Agriculture & Farmers Welfare (DA&FW) advocates for promotion of specialty/ organic cotton through user industry to enable farmers get maximum returns for produce. Agricultural & Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industry is the Secretariat for implementation of National Programme for Organic Production (NPOP). NPOP provides an institutional mechanism for accreditation of certification bodies and certification of organic process & products.

**3.4.1 Global Organic Cotton Market****Global Organic Cotton Market Value and Growth rate****1. Strong Market Growth and CAGR**

- The global organic cotton market size was USD 1.58 billion was 2024 and will touch USD 6.13 billion by 2032, exhibiting a CAGR of 18.49% during the forecast period. **Source – Business research insights**

- The global organic cotton market size was USD 1,113.5 million in 2023. The global **organic cotton market** is experiencing **exceptional growth**, driven by a convergence of environmental awareness, corporate sustainability goals, and shifting consumer preferences. *Source – Fortune Business insights.*

## 2. Post-COVID Recovery and Demand Surge

- During COVID-19 (2020), Organic Cotton Industry Had a Negative Effect Due to supply chain disruption during COVID-19 Pandemic. The global COVID-19 pandemic has been unprecedented and staggering, with the market experiencing lower-than-anticipated demand across all regions compared to pre-pandemic levels. The sudden market growth reflected by the rise in CAGR is attributable to the market's growth and demand returning to pre-pandemic levels.
- Despite these setbacks, the organic cotton market demonstrated remarkable resilience. By late 2021, as economies reopened and supply chains adapted to new health protocols, global demand for organic cotton not only recovered but surged beyond pre-pandemic levels.
- The pandemic, rather than derailing sustainability efforts, acted as a catalyst for deeper industry reform. It highlighted systemic vulnerabilities in conventional, price-driven supply chains and reinforced the importance of transparency, environmental stewardship, and long-term supplier relationships. For consumers, the COVID-era brought heightened awareness of health, ethical sourcing, and environmental impact, further strengthening the market for products made with organic cotton—especially in segments like infant clothing, home textiles, and wellness apparel.

## 3. Shift in Consumer and Brand Preferences

- Over the past five years, the global textile and apparel industry has witnessed a fundamental transformation in both consumer expectations and brand procurement strategies, with a marked shift toward organic, sustainable, and ethically sourced cotton. This trend has emerged as one of the primary demand drivers for the organic cotton market, influencing everything from farm-level practices to global retail operations.

## 4. Prominent fashion and lifestyle brands

- Including H&M, Levi's, Nike, Adidas, Patagonia, and C&A—have publicly committed to increasing the share of organic or sustainably sourced cotton in their product lines. Many have integrated targets under frameworks Textile Exchange's 2025 Sustainable Cotton Challenge, which encourages brands to source 100% sustainable cotton by 2025.

As sustainability and transparency become mainstream consumer expectations, brands are prioritizing procurement from suppliers who meet recognized international certifications: GOTS (Global Organic Textile Standard): Ensures the cotton is grown organically and processed with minimal environmental and chemical impact. OEKO-TEX and SA8000: Ensure that finished textile products are free of harmful substances and manufactured ethically.

### 3.4.2 Market segmentation on types of organic cotton

Category	Segment	Description
By Type	Medical Grade Organic Cotton	Specially processed for medical use, ensuring hypoallergenic properties, high purity, and safety. Commonly used in hospitals and clinics.
	Normal Organic Cotton	Widely used in textiles and non-medical products. Known for its sustainability and low environmental impact. Applied in casual wear, home textiles, and daily-use items.
By Application	Medical Products	Used in dressings, gauzes, bandages, and other sterile medical items. Preferred for its softness and safety in hygienic environments.
	Apparel	Popular in the garment industry for its comfort, breathability, and eco-friendly appeal. Growing demand from sustainable fashion brands.

	Others	Includes home furnishings, personal care items, and industrial textiles. Valued for its biodegradability and suitability in eco-conscious industries.
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### Organic Cotton Market Regional Insights

- **North America** - The United States organic cotton market is growing rapidly because of the rising demand from customers for environment-friendly products. High market shares of the region are attributed to the environmental-conscious fashion brands, organic cotton is replacing conventional cotton in clothing manufacturers, and government supports given for organic farming and other agricultural sustainable practices. All put together, North America currently occupies the largest share globally regarding the organic cotton market with huge percentages taken by the United States itself.
- **Europe** - Organic cotton market share in Europe is one of the most significant regions for its share and growth. There has been strong consumer awareness of this region about sustainable, environment-friendly, and ethically produced textiles. Germany, United Kingdom, and France have significant markets for organic cotton in apparel and home textiles. European regulations and certifications in promoting organic cotton farming increase the growth and share in this region.
- **Asia** - Asia is growing at a high rate in the organic cotton market because countries like India and China, which are major producers of cotton, are increasing their production. The demand for organic cotton in Asia is increasing because consumers in both developed and emerging markets are becoming more conscious of environmental issues and sustainable products. This accelerating growing trend in the organic cotton market share in the region is being seen due to the growth in the textile sector of these nations and increased exports.

*Source – Business research Insights*

### 3.4.3 Trend in Global Organic Cotton Consumption and Market Share

- This has highly contributed to its growing demand among environmentally sensitive consumers and industries looking forward to reducing carbon emissions. Most applications include clothing, textiles, and personal care products with towels and baby wear in which organic cotton is used.
- Consumption of organic cotton is also taking the lead in North America and Europe; the boom is seen because of consumer preference towards eco-friendly and sustainable products. India and China are leading in production due to favourable climatic conditions, established organic farming, and governmental initiatives in Favor of this trend of sustainable agriculture. Improvements in processing techniques of organic cotton makes it more accessible and affordable by developing further retail channels. The organic cotton market is very huge when it comes to growth potential due to sustainability being the directive force for consumer behaviour and industrial practices in today's world. This, in turn, hence, becomes a bigger stride toward greener and more accountable life.

### 3.4.4 Trend in Global Organic Cotton Market Value and Volume Forecast

- **Climate and Weather Variability** - Organic cotton farming is inherently more climate-sensitive than conventional or genetically modified (GM) cotton cultivation because it relies on natural processes, avoids synthetic inputs, and is largely rain-fed in major producing regions. This makes it particularly vulnerable to weather fluctuations and extreme climate events. Organic cotton does not use synthetic fertilizers or genetically modified seeds; farmers have fewer tools to compensate for poor weather. GM cotton, by contrast, can sometimes better withstand drought or pest pressure. There is growing global emphasis on climate-resilient and regenerative organic farming, which includes Soil improvement through composting, crop rotation, and green manures to retain moisture. Use of indigenous cotton seed varieties that are more adaptable to local conditions. Mulching and agroforestry to buffer against drought and heatwaves. Training programs (e.g., by Textile Exchange and C&A Foundation) that teach farmers to implement climate-smart methods.
- **Government & Institutional Regulations** - Government and institutional regulations are increasingly shaping the global organic cotton industry through stricter compliance, certification, and traceability mandates. In India, the government supports organic cotton through APEDA's National Programme for Organic Production and has introduced QR code-enabled bale tagging for traceability from farm to export. Meanwhile, in the U.S., the USDA's National Organic Program (NOP) governs organic cotton standards,

ensuring compliance with pesticide-free and non-GMO criteria. Together, these frameworks are formalizing the organic cotton supply chain, increasing transparency, and supporting global market growth.

- **Sustainability and Digital Innovation** - A big trend shaping markets today is an emphasis on sustainability and digital innovation across industries. Growth in demand is being witnessed due to the increasing numbers of environmentally conscious consumers and businesspeople, which is affecting sustainable products, renewable energy, and circular economies. Alongside, operational efficiency changes in artificial intelligence, blockchain, and Internet of Things developments open new avenues for growth. Remote work and hybrid models continue to shape the character of workplaces as technology adoption by the healthcare and retail industries leads to scenarios of personalization and on-demand services. Sustainability and digital transformation redefine the industries hence a more connected and responsible global economy emerges.

### 3.5. Indian Organic Cotton Industry

#### 3.5.1 Overview on Organic Cotton, Cotton Seeds, and Cotton Linter

India is the world's largest producer of organic cotton, contributing over 50% of global certified organic cotton output. Grown without synthetic pesticides, fertilizers, or genetically modified seeds, organic cotton in India is cultivated primarily by small and marginal farmers across states like Madhya Pradesh, Maharashtra, Odisha, Gujarat, and Rajasthan. Certified under the National Programme for Organic Production (NPOP) by APEDA, Indian organic cotton follows strict guidelines ensuring ecological sustainability and traceability. The production process involves manual harvesting to prevent contamination, ginning in certified facilities, and environmentally responsible spinning, weaving, and dyeing—often certified under GOTS (Global Organic Textile Standard). A key challenge in the Indian organic cotton ecosystem is the limited availability of region-specific, non-GMO seeds. These seeds must be untreated or treated with organic inputs and certified for genetic purity and pesticide residue under APEDA's TraceNet system. Parallel to fiber production, cottonseed yields valuable by-products, particularly cotton linter—the short fuzz left on seeds after ginning. Rich in cellulose, cotton linter is used in India's pharmaceutical industry to produce excipients like microcrystalline cellulose and ethyl cellulose, essential for tablets, capsules, and surgical products. It is also processed into high-purity pulp for specialty papers such as currency notes, filter papers, and archival materials. India exports significant quantities of cotton linters to countries like Germany, Japan, and South Korea for further industrial use. Together, organic cotton, certified seeds, and value-added products like linters form a robust and increasingly export-oriented segment of India's sustainable agriculture and textile ecosystem.

#### 3.5.2 Trend in Indian Organic Cotton Consumption and Market Share

- India has consistently maintained its position as the world's largest producer of organic cotton, contributing over 50% of global production throughout this period. Despite high production, domestic consumption of organic cotton in India remains limited, with most of the produce being exported to meet demand in Western markets.
- In 2019–2020, **domestic consumption of organic cotton was negligible**, mostly restricted to niche brands and urban consumers. Over time, **urban middle- and upper-income segments** in Tier 1 and Tier 2 cities began to show increasing interest in sustainable textiles, **fuelled by rising awareness of environmental and health concerns**.
- From 2021 onward, COVID-19 significantly accelerated this awareness, with a growing preference for natural, sustainable, and skin-friendly fabrics. While India's market share in global production has remained stable, its domestic market share (within total Indian cotton consumption) has remained under 2%, indicating limited penetration.
- By 2023–2024, organic cotton began gaining traction in domestic fashion collections, yoga wear, children's clothing, and premium loungewear categories—though largely in blended fabric forms due to high costs.
- High price differentials (30–40% higher than conventional cotton) and limited certified retail options have kept wider adoption in check. However, e-commerce platforms and D2C (direct-to-consumer) organic fashion brands have emerged in recent years, improving accessibility and visibility.

#### 3.5.3 Trend in Indian Organic Value, Volume and Price

- India's organic cotton production has been steadily increasing! In 2020-21, production was 810,934 metric tonnes (MT), compared to 335,712 MT in 2019-20 and 312,876 MT in 2018-19, marking a 142% growth over the previous year. Market value was relatively modest, with organic cotton mainly catering to export markets and niche domestic demand. **Source - [dfupublications.com](https://www.dfupublications.com)**
- The prices of organic cotton, both extra-long staple (ELS) and long staple, have shown an upward trend since June 2021. The price of ELS organic cotton (34.5 mm) has surged by 34 per cent since June 2021, while that of long staple organic cotton (28.5 mm to 34.4 mm) has jumped 108 per cent. India produces nearly 50 per cent of the world's organic cotton. **Source- *Fibre2Fashion***
- The prices of organic cotton (Shankar-6, 28 mm) have been in a decreasing trend from December 2023 to November 2024 in Asia (Domestic India). This decline can be attributed to various factors including fluctuations in demand, changes in production costs, and broader economic conditions affecting the textile industry.

### 3.5.4 Trend in Indian Organic Cotton Market Value and Volume Forecast

- The India organic cotton market size reached USD 51.0 Million in 2024, and it expects the market to reach USD 955.9 Million by 2033, exhibiting a growth rate (CAGR) of 38.50% during 2025-2033.
- The market is driven by rising consumer demand for sustainable textiles, government incentives promoting organic farming, and increasing global preference for eco-friendly apparel. Growing awareness of environmental concerns, reduced water usage in organic cultivation, and expanding export opportunities further support market growth, attracting investments from major textile brands.
- Rising acreage under organic cultivation, supported by initiatives like the PKVY and state-level incentives. Growing certification compliance, which enhances farmers' access to international markets. Organic cotton production is expected to continue its upward trend through 2027, albeit growth may level compared to the dramatic 2019–21 surge as farmers balance yield considerations and certification costs.

### 3.5.5 Demand Drivers

- **Rising Demand for Sustainable and Ethical Fashion** – The increasing preference for eco-friendly clothing among Indian and global consumers is shaping the organic cotton market. Shoppers are increasingly aware of sustainability, with increased demand for clothing made of organic cotton that is not treated with synthetic pesticides and fertilizers. Large apparel brands and retailers are launching extended lines of organic cotton clothing to achieve sustainability goals and cater to ethically conscious consumers. Furthermore, e-commerce has offered direct access to clothing made of organic cotton, stimulating sales. Brands are also focusing on fair trade practices and transparency in sourcing, which further drives the market growth. With increasing awareness of sustainability, organic cotton is emerging as a central element of ethical fashion, driving adoption in different segments of the textile market.
- **Government Support and Organic Farming Initiatives** - The Indian government is actively promoting organic cotton cultivation through subsidies, certification programs, and awareness campaigns. Policies like the Paramparagat Krishi Vikas Yojana (PKVY) provide financial and technical support to help farmers transition to organic farming. The Agricultural and Processed Food Products Export Development Authority (APEDA) oversees organic certification and export promotion, strengthening India's global market position. As of March 31, 2023, India had 10.17 million hectares under organic certification, including 5.39 million hectares of cultivable land and 4.78 million hectares for wild harvest collection. State governments in cotton-producing regions offer incentives and support farmer cooperatives to enhance organic farming. These initiatives lower production costs, ensure compliance with international standards, and improve market competitiveness, driving the expansion of organic cotton domestically and internationally.
- **Expansion of Export Opportunities and Global Collaborations** - India's organic cotton exports are rising as global markets emphasize sustainable sourcing. Europe and North America are key drivers due to stringent environmental regulations and evolving consumer preferences. Leading international brands are collaborating with Indian organic cotton suppliers to ensure a stable supply of sustainable raw materials, fostering long-term commitments. Certification programs like the Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) enhance India's reputation in global markets. Increased participation in sustainability initiatives, such as the Better Cotton Initiative (BCI), further strengthens India's presence in the eco-friendly textile sector.

### 3.6 Introduction of Fabric Industry in India

India's fabric industry is a critical pillar of the country's textile and apparel sector, which is one of the largest contributors to the nation's economy and export earnings. The fabric industry is a vital part of India's textile value chain, encompassing the manufacturing of woven, knitted, and non-woven textiles. It serves as a foundation for the apparel, home furnishings, and technical textile sectors.

India is the second-largest producer of textiles and garments globally, with the fabric industry forming the backbone of this sector. The textile industry contributed about 2.3% to India's GDP and 13% to industrial production and 12% to exports. India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally. *Source -IBEF*

#### Types of Fabric

The Indian fabric industry comprises three major categories of fabrics—woven, knitted, and non-woven—each differing in structure, manufacturing techniques, applications, and market dynamics.

- **Woven fabrics** – These are produced by interlacing two sets of yarns—warp (longitudinal) and weft (horizontal)—at right angles on a loom. This traditional and widely used fabric type is known for its dimensional stability and strength. Woven fabrics can be categorized into different weaves such as plain weave (e.g., voile and poplin), twill weave (e.g., denim and drill), and satin weave (used in premium garments and furnishings). These fabrics dominate India's production landscape and are widely used in apparel, home furnishings, industrial applications, and exports. India's large cotton base supports the widespread manufacturing of cotton-based woven fabrics, especially in Gujarat and Maharashtra.
- **Knitted fabrics** - On the other hand, are formed by looping yarns either in a weft or warp direction. This method imparts flexibility, softness, and stretchability, making these fabrics particularly suitable for sportswear, casualwear, innerwear, and children's clothing. India's leading knitwear cluster is Tirupur in Tamil Nadu, which is globally recognized for producing high-quality cotton knits. Knitted fabrics are gaining popularity due to changing fashion trends and rising demand for comfort wear.
- **Non-woven fabrics** - These are engineered by bonding fibers together using thermal, chemical, or mechanical processes, rather than weaving or knitting. These fabrics are typically made from synthetic fibers like polypropylene and are widely used in medical textiles (e.g., surgical masks, gowns), hygiene products, automotive filters, geotextiles, and packaging. With the rise of technical textiles and government support under the National Technical Textiles Mission, the non-woven segment is witnessing rapid growth, especially in post-pandemic sectors like healthcare.

In summary, these three fabric types—woven for durability, knitted for comfort, and non-woven for functionality—form the backbone of India's diversified textile production and are critical to meeting the needs of both traditional and modern end-user industries

#### 3.6.1 Product of Dyed/Printed Fabric

The dyed and printed fabric segment in India plays a crucial role in adding aesthetic value and market appeal to both traditional and modern textiles. This segment has evolved from using conventional dyeing and manual printing methods to more eco-friendly and technologically advanced processes, driven by both environmental concerns and global market demands.

##### Dyed and Printed Fabrics

Dyeing and printing are two of the most widely used value-addition processes in cotton fabric manufacturing, playing a critical role in enhancing both the aesthetic appeal and marketability of textile products. In the dyeing process, colour is applied uniformly across the entire fabric, either through chemical dyes or increasingly, through natural and plant-based dyes in the sustainable textile segment. Techniques such as reactive dyeing (commonly used for cotton), pigment dyeing, vat dyeing, and direct dyeing are employed depending on the colour fastness required, cost, and the nature of the product. Each method varies in its affinity for the fiber, resistance to washing and sunlight, and vibrancy of output.

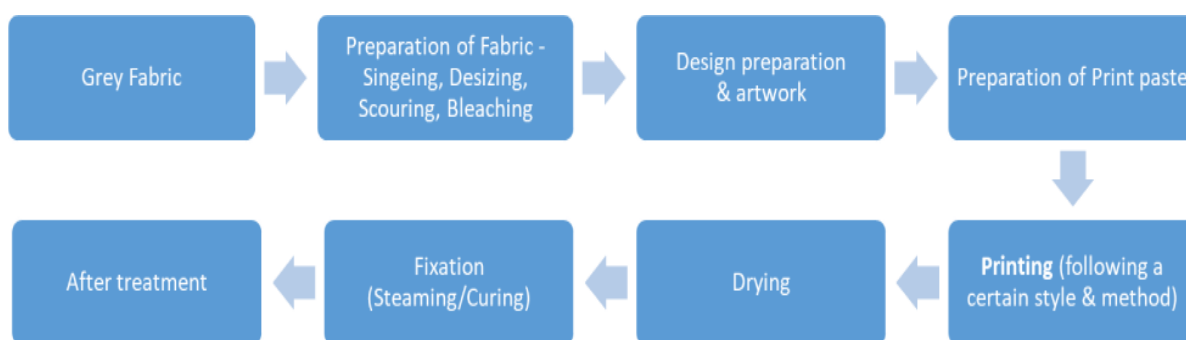


Printing, on the other hand, refers to the application of colour or pattern only on specific areas of the fabric. Traditional block printing, rotary screen printing, and more recently digital printing are popular methods used in Indian cotton textiles. Digital printing is gaining momentum due to its ability to offer shorter turnaround times, small batch flexibility, and high-definition designs. It is especially favoured by fast fashion brands and export houses catering to markets like the EU, UK, and U.S., where design customization and speed-to-market are critical.

These dyed and printed cotton fabrics are used across a wide range of applications such as shirts, dresses, sarees, bedsheets, children's wear, traditional ethnic garments, and uniforms. With consumers increasingly seeking eco-conscious fashion choices, there is a noticeable shift toward AZO-free dyes, low-water dyeing techniques, and digital pigment printing that reduce environmental impact.

As a result, dyeing and printing have transformed from basic textile finishing steps to strategic differentiators that add both design and functional value to Indian cotton products in domestic and global markets.

Fabric printing involves the following steps



### Types of Printing Styles

Fabric can be printed in three different styles: direct, discharge, & resist styles.

#### Direct Style

The most common style of printing textile fabric is direct printing. The dye is directly applied onto white fabric or coloured fabric. The printed portion is significantly darker than the dyed background. The direct style of printing is used in block printing, screen printing, or roller printing methods.

#### • Discharge style

Discharge printing in textile is also known as extract printing. It is based on the chemical destruction of the original dye in the printed area. The discharging agents used can be oxidizing or reducing agents, acids, alkalis and various salts. For discharge printing, the ground of the substrate should be dischargeable. It is recommended that dyed discharge fabric should be pre-padded with 2-3 GPL Resist salt. The actual amount of discharging agent requirement for optimum discharge will depend upon:

- The dyes to be discharge.
- The depth of the ground.
- The fabric being printed.

If no colour is added to the discharge print paste, the result is a white discharge. Discharge is only carried out by reduction. Colour discharge printing in textile can be done by Pigment dispersion on Reactive or Vat dye on the reactive ground.

#### • Resist style

In the resist style of printing style, RFD fabric is first printed with resist paste which prohibits the penetration of the dye into the fabric. The fabric is then dyed and subsequently, the resist paste is removed & leaving the desired pattern.

### 3.6.2 End User Industries for Fabrics

Fabric, especially woven cotton and cotton-blended fabrics, is a foundational material used across a broad spectrum of industries. With increasing emphasis on sustainability, functional finishes, and technical textiles, the application of fabrics has expanded far beyond traditional clothing. Below are the major end-user industries:

End-User Industry	Key Applications	Common Fabric Types Used
Apparel & Fashion	Shirts, trousers, dresses, ethnic wear, uniforms, casual wear	Cotton woven fabrics, cotton blends, stretch fabrics, organic cotton
Automotive Interiors	Seat covers, roof lining, door panels, sun visors, floor mats	Cotton-polyester blends, flame-retardant & UV-resistant fabrics
Medical & Healthcare	Hospital gowns, bed linen, surgical drapes, masks, bandages	Antimicrobial cotton, non-woven blends, hypoallergenic fabrics
Home Furnishings	Curtains, cushion covers, upholstery, bed linens, towels, tablecloths	Cotton, cotton-linen blends, yarn-dyed & printed fabrics
Bags & Accessories	Travel bags, backpacks, handbags, belts, gloves	Canvas, denim, twill cotton, water-resistant fabrics
Industrial & Technical	Filtration cloths, conveyor belts, protective gear, geotextiles	Coated cotton, functional blends, high-tensile technical textiles
Childcare Products	Baby clothes, nappies, blankets, bibs, soft toys	GOTS-certified organic cotton, ultra-soft and breathable fabrics

### 3.6.3 Trend in the production of Cotton woven Fabrics.

- Rise in Value Added Fabric** - India's cotton woven fabric industry is witnessing a strong shift from producing basic greige (unfinished) fabrics to high-value finished products such as printed and dyed shirting and suiting materials, stretch and organic cotton blends, and fabrics with advanced finishes like anti-microbial, wrinkle-free, water-resistant, and UV-resistant coatings. This transformation is driven by rising demand from domestic fashion brands and export buyers in markets like Europe, the U.S., and Japan, who increasingly seek sustainable, ready-to-use, and performance-enhanced textiles. Supported by government schemes like TUFS and growing adoption of digital printing and eco-friendly dyeing technologies, Indian manufacturers are enhancing profitability and positioning themselves as global suppliers of value-added cotton textiles.
- Increasing Use of Sustainable and Organic Cotton** - With growing global demand for eco-friendly textiles, the use of sustainable and organic cotton in India's woven fabric industry has seen a significant rise. Certified standards such as GOTS (Global Organic Textile Standard) and Fair Trade have become increasingly common, especially among exporters targeting Europe, the U.S., and Japan. Textile hubs in Tamil Nadu—like Tirupur, Karur, and Erode—are leading the way by integrating organic cotton sourcing with environmentally friendly processes such as low-impact dyeing and water recycling. Similarly, producers in Gujarat are capitalizing on the state's strong organic cotton base by investing in sustainable finishing technologies and zero-liquid discharge systems.
- Technology Modernisation** - India's cotton weaving industry has undergone significant technological modernization, with over 60% of the country's power looms upgraded under key government schemes such as the Amended Technology Upgradation Fund Scheme (ATUFS) and the Integrated Processing Development Scheme (IPDS). These initiatives have provided capital subsidies and infrastructure support, enabling the installation of high-speed shuttle-less looms, rapier looms, and automated dyeing and finishing units. As a result, weaving clusters in Maharashtra, Gujarat, and Tamil Nadu have seen marked improvements in productivity, fabric quality, and energy efficiency. Modernized units are now capable of producing complex fabric weaves, high-thread-count shirting, technical textiles, and value-added cotton fabrics with precision and reduced defects.

## 1. Market Dynamics

### 4.1 Growth Drivers

- Expansion of home textiles and furnishings sector** - Cotton is commonly used in the production of bed sheets, pillowcases, curtains, upholstery, and other household textiles. Its natural properties, such as breathability, softness, and durability, make cotton yarn a popular choice for creating comfortable and aesthetically pleasing home textiles. Moreover, it can absorb moisture, which makes it suitable for towels

and bathrobes. As the demand for home decor and interior design continues to grow, the sales of cotton yarn is also rising to meet the need of quality cotton-based textiles for homes and hospitality industries.

- **Strong Domestic Raw Material Base** - India is the largest cotton cultivator globally and among the top producers, providing a steady and cost-effective supply of raw material for spinning and fabric manufacturing. This creates an inherent competitiveness for Indian textile units.
- **Modernization of Ginning & Spinning Infrastructure**- Adoption of modern ginning technologies (contamination removal, QR tagging) and investment in compact spinning, auto-coning, and contamination-free yarn systems have enhanced India's reputation as a high-quality cotton supplier.
- **Sustainability & Organic Cotton Push** - India leads in organic cotton production, contributing over 50% of global output. Global brands' shift toward sustainable sourcing (e.g., GOTS, Fair Trade) and India's emphasis on traceable, organic bale tagging (via APEDA) are fuelling growth in premium cotton segments
- **Government Support through MSP and CCI** - The Government of India ensures price stability for farmers through the Minimum Support Price (MSP) and procurement operations by the Cotton Corporation of India (CCI). This encourages steady cotton sowing and helps maintain raw material availability for the industry.
- **Increasing usage in medical applications** - Cotton has inherent qualities that make it suitable for medical applications. Its softness, breathability, and hypoallergenic properties make it ideal for use in bandages, wound dressings, surgical gowns, and other healthcare textiles. It can absorb moisture effectively, contributes to patient comfort and helps maintain a sterile environment.

#### **4.2 Challenges**

- **Volatility in Raw Material Prices** - Cotton, the primary raw material for yarn production, is an agro-based commodity, and its pricing is subject to seasonal cycles, monsoon performance, pest outbreaks (like pink bollworm), and global market forces. Fluctuations in domestic cotton prices, often caused by uneven rainfall or sudden policy changes (like export bans or MSP interventions), can have an immediate and significant impact on yarn production costs.
- **Fragmented and Unorganized Fabric Sector** - A large portion of the weaving and dyeing segment remains unorganized, with outdated machinery and limited access to capital, resulting in quality inconsistency and lower productivity.
- **Environmental Compliance and Pollution** - Fabric processing, especially dyeing and finishing, generates high volumes of effluents. Units face challenges meeting **Zero Liquid Discharge (ZLD)** and **pollution control norms**, particularly in clusters with limited CETP infrastructure.
- **Energy and Logistics Costs** - Fluctuating power tariffs and high inland logistics costs add to manufacturing expenses, especially for units located far from ports or cotton-growing zones.

#### **5. Government Initiatives and Policy Support**

The Union Budget announced an outlay of ₹5272 crores for the Ministry of Textiles for 2025-26. This is an increase of 19% over budget estimates of 2024-25 (Rs. 4417.03 crore). *Source – Press Information Bureau*

##### **Key Highlights**

- **Cotton Mission:** A five-year plan to improve cotton productivity, especially extra-long staple varieties, with science and technology support.

- **Tax Exemptions on Looms:** Duty removed on select shuttle-less looms to reduce costs and modernize weaving.
- **Customs Duty on Knitted Fabrics:** Increased from “10% or 20%” to “20% or ₹115 per kg, whichever is higher” to curb cheap imports.
- **MSME Boost:** Focus on exports, credit enhancement, and policies like the National Manufacturing Mission, Export Promotion Mission, Bharat Trade Net, and Fund of Funds to promote employment and entrepreneurship.

**1. Production Linked Incentive (PLI) Scheme for Textiles** - Under this scheme, as per the Quarterly Review Reports (QRRs) released on 31.03.2024, the turnover achieved was Rs. 1,355 crore including export of Rs. 166 crore. It's a strategic initiative aimed at strengthening the country's textile manufacturing base, with a significant focus on cotton-based products. The scheme offers financial incentives to eligible companies based on their incremental production and sales of high-value textile products over a five-year period. Specifically, it targets the production of man-made fibers (MMF), technical textiles, and also includes support for cotton yarn and fabric manufacturing. The inclusion of cotton products is vital given India's status as one of the world's largest cotton producers. Under the scheme, companies are encouraged to invest in new production capacities and adopt advanced technologies that can enhance product quality and global competitiveness. By incentivizing domestic production, the government seeks to reduce dependency on imports, boost exports, and generate employment, especially in rural and semi-urban areas where cotton ginning, spinning, and weaving are concentrated.

**2. Remission of Duties and Taxes on Exported Products (RODTEP)** - The Remission of Duties and Taxes on Exported Products (RODTEP) scheme is a flagship export promotion initiative introduced by the Government of India, effective from January 1, 2021, to enhance the global competitiveness of Indian goods, including cotton and cotton-based products. The primary objective of RODTEP is to reimburse exporters for the hidden and non-creditable taxes and

levies that are incurred during the production and distribution processes but were previously not refunded under any mechanism. These include state and central levies such as VAT on fuel, electricity duties, mandi tax, stamp duty on export documents, and embedded GST on inputs.

For the cotton sector, which forms a crucial part of India's agricultural and textile export economy, this scheme plays a significant role in improving cost efficiency. Cotton-based products such as cotton yarn, fabric, and garments often bear multiple unrebated taxes during farming, ginning, spinning, and transportation. By refunding these costs directly to exporters as a percentage of the Free on Board (FOB) value through a transferable duty credit scrip, RODTEP reduces the net effective export price, thereby allowing Indian cotton products to be priced more competitively in the international market.

**3. Comprehensive Economic Partnership Agreement (CEPA) with UAE** - The Comprehensive Economic Partnership Agreement (CEPA) between India and the United Arab Emirates (UAE), which came into force in May 2022, is a landmark bilateral trade deal aimed at enhancing economic cooperation between the two countries. Under CEPA, a wide range of goods, including cotton and cotton-based textile products, benefit from significantly reduced or zero import tariffs, simplified customs procedures, and preferential market access in the UAE. This has created a strong export advantage for Indian producers in the cotton value chain—spanning raw cotton, yarn, fabrics, and readymade garments. The India-UAE CEPA provides a **strategic boost to India's cotton export sector**, increasing market share, improving trade balances, and supporting millions of farmers and workers involved in the cotton and textile value chain. Since the signing of CEPA, bilateral merchandise trade has nearly doubled from USD 43.3 billion in FY 2020-21 to USD 83.7 billion in 2023-24. During the current FY till January'25, it reached USD 80.5 billion.

**4. Financing Subsidy Schemes** - The government of India, along with institutions like NABARD (National Bank for Agriculture and Rural Development), State Governments, and the Ministry of Textiles, has implemented a range of financing and subsidy schemes aimed at supporting cotton farmers and strengthening the overall cotton sector. These initiatives provide low-interest loans and targeted financial assistance to help farmers invest in modern agricultural practices and infrastructure improvements. For instance, subsidies are offered for the adoption of drip irrigation systems, which promote efficient water use and improve cotton crop yields in water-scarce regions. Financial support is also extended for purchasing advanced farm machinery such as seed drills, tractors, and cotton harvesters, enabling mechanization and reducing labour costs. Additionally, subsidies encourage sustainable practices like organic cotton farming, which not only cater to growing global demand for organic textiles but also contribute to soil health and environmental conservation.

**5.Environment and Sustainability Regulations** - The government promotes environmental sustainability in the cotton sector through several regulations and initiatives. It mandates Zero-Liquid Discharge (ZLD) compliance in spinning and dyeing units to minimize water pollution. Use of plastic-free bale packaging aligned with BIS standards is encouraged to reduce plastic waste. There is strong support for organic and recycled cotton production, backed by the India Organic Certification program.

**6.Business-Related Regulations and Approvals (Domestic & Global)** - Exporters and manufacturers in India, particularly in sectors like cotton, textiles, and organic products, must comply with various mandatory registrations and certifications to legally operate and access international markets:

#### **Domestic Regulations and Approvals-**

- **Goods and Services Tax (GST) Registration** - All manufacturers and exporters must register under GST if their turnover exceeds the prescribed threshold. GST registration enables legal collection and input tax credit on goods and services used in manufacturing and exporting. GST is a unified indirect tax system in India that replaced multiple taxes to streamline trade.
- **Import-Export Code (IEC) from DGFT**: IEC is a mandatory 10-digit code issued by the Directorate General of Foreign Trade (DGFT) required for import and export activities. IEC registration helps track and facilitate foreign trade and avail export benefits.
- **Registration-cum-Membership Certificate (RCMC)** - Issued by export promotion councils like TEXPROCIL (The Cotton Textiles Export Promotion Council) or other sectoral bodies. RCMC certifies the exporter as a recognized member, enabling them to claim export incentives and participate in government schemes.

**Global Certifications and Buyer Requirements** – To access international markets, Indian exporters must meet global certification standards and buyer requirements to ensure product quality, safety, and ethical sourcing. For example, prime-market buyers—including large retailers like Primark to premium brands such as H&M, which is committed to sourcing 100% of its cotton as organic, recycled, or from its own Primark Cotton Project—demand certifications such as GOTS (Global Organic Textile Standard) and OEKO-TEX Standard 100, ensuring transparent, traceable, and responsible sourcing. Meanwhile, recycle-market buyers—often sustainable brands and circular-economy-focused companies—expect OEKO-TEX Standard 100 (with recycled-material modules) and certifications like Global Recycled Standard (GRS) or Recycled Claim Standard (RCS) to guarantee that their recycled or reclaimed cotton inputs are safe, verifiable, and meet stringent ecological criteria.

- **GOTS (Global Organic Textile Standard)** - The leading textile processing standard for organic fibers. It includes ecological and social criteria for organic textile production, ensuring chemical restrictions and fair working conditions. Most organic cotton exporters seek GOTS certification to access premium markets.
- **OEKO-TEX Standard 100** - A globally recognized certification guaranteeing textiles are free from harmful substances. Widely required by international buyers to ensure safety for consumers. Helps Indian manufacturers demonstrate compliance with strict chemical regulations.

## **6. PESTEL Analysis of the Industry**

The analysis underscores the multifaceted factors influencing India's cotton sector and exports, highlighting areas of strength and challenges that shape its growth trajectory

Factors	Key Insights
Political Factors	<ul style="list-style-type: none"> <li>• <b>Supportive Government Policies:</b> The government promotes cotton farming through schemes like the PM Cotton Development <b>Program</b> and Production Linked Incentive (PLI) for textiles, boosting farmer income and export competitiveness.</li> <li>• <b>Trade Agreements &amp; Export Promotion:</b> India leverages trade agreements (e.g., CEPA with UAE) and export councils like TEXPROCIL and APEDA to ease cotton exports.</li> </ul>
Economic Factors	<ul style="list-style-type: none"> <li>• <b>Large Domestic Market &amp; Export Potential:</b> India is the world's largest cotton producer, with strong domestic textile demand and exports contributing significantly to foreign exchange.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Input Cost Volatility:</b> Fluctuations in fertilizer, pesticide, and seed prices affect production costs and farmer profitability.</li> <li>• <b>Currency Impact:</b> Exchange rate volatility impacts export competitiveness.</li> </ul>
Social Factors	<ul style="list-style-type: none"> <li>• <b>Farmer Livelihoods:</b> Cotton farming supports millions of smallholder farmers, with social challenges including debt cycles and fluctuating incomes.</li> <li>• <b>Rising Consumer Demand for Organic &amp; Sustainable Cotton:</b> Increasing awareness drives demand for certified organic and sustainable cotton products domestically and abroad.</li> </ul>
Technological Factors	<ul style="list-style-type: none"> <li>• <b>Adoption of Bt Cotton and Hybrid Seeds:</b> Over 90% of Indian cotton area uses genetically modified Bt cotton, increasing yields and pest resistance.</li> <li>• <b>Digital Farming Tools:</b> Use of IoT, drones, AI advisory platforms, and satellite monitoring improves crop management and yield forecasting.</li> <li>• <b>Blockchain and Traceability:</b> Emerging adoption of QR code bale tagging and blockchain enhances transparency in exports.</li> </ul>
Environmental Factors	<ul style="list-style-type: none"> <li>• <b>Water-Intensive Crop &amp; Climate Risks:</b> Cotton cultivation demands significant water, straining resources amid changing rainfall patterns and drought risks.</li> <li>• <b>Sustainability Pressures:</b> Increasing global focus on sustainable cotton production, including organic farming, reduced pesticide use, and zero-liquid discharge (ZLD) in processing units.</li> <li>• <b>Soil Health Degradation:</b> Continuous cotton cropping risks soil fertility depletion.</li> </ul>
Legal Factors	<ul style="list-style-type: none"> <li>• <b>Regulatory Compliance for Exports:</b> Exporters must comply with Goods and Services Tax (GST), Import-Export Code (IEC), and Registration-cum-Membership Certificate (RCMC) from export promotion councils.</li> <li>• <b>Global Certifications:</b> Compliance with GOTS, OEKO-TEX, and Fair-Trade certifications is increasingly required for accessing premium export markets.</li> <li>• <b>Intellectual Property &amp; Seed Regulations:</b> Evolving laws around GM cotton and seed varieties affect innovation and adoption.</li> </ul>

## 7. Competitive Landscape

### 7.1 Key Industry Players

The Indian cotton ginning and textile industry comprises a mix of unlisted regional processors and large integrated textile manufacturers. While many ginning units operate in the unorganized segment, players like Milan Ginning Pressing Pvt Ltd represent a growing base of professionally managed firms focused on sustainable and high-quality cotton processing. The industry is critical to India's textile supply chain, especially as the country remains one of the largest cotton producers globally. The competitive landscape is shaped by the presence of vertically integrated textile conglomerates that offer spinning, weaving, and fabric production capabilities alongside standalone ginners.

#### Company Profile and Operations

**Axita Cotton Ltd** – According to the details mentioned on the company's website, the company was Incorporated in 2013 as a public limited company headquartered in Ahmedabad, Gujarat, Axita Cotton Ltd and its group firm Axita Exports Pvt Ltd commenced operations from a partnership dating back to 2007. The company specializes in cotton bales, cotton seeds, oil, and cotton seed cake, with a ginning and pressing capacity of ~87,600 MT per annum using modern machinery. It's certified under ISO 9001:2015, BCI, and GOTS, and it exports cotton bales to Pakistan, Bangladesh, and Vietnam.

**Pashupati Cotspin Ltd.** - A flagship company under Pashupati Group since 1997, Pashupati Cotspin is listed on NSE and operates an integrated supply chain from ginning to weaving, including oil milling and spinning, weaving, sizing, and warping. The ginning plant handles up to 250,000 bales (~40,000 MT) annually, utilizing 112 double-roller gins, while the spinning mill features 37,000 spindles, producing around 10,950 MT of varied yarns annually. *Source- [pashupati.cotspin.com](http://pashupati.cotspin.com)*

#### Strategic Positioning

Company	Focus & Strengths
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Axita Cotton Ltd	Axita Cotton is strategically positioned as a specialized cotton processor focused on ginning, pressing, and trading of raw cotton, cotton bales, and cottonseed by-products. Operating primarily from Gujarat, Axita leverages proximity to major cotton-producing zones and maintains certifications such as ISO 9001:2015, BCI, and GOTS to cater to both domestic and export markets. Its lean operational model and efficient supply chain give it flexibility in competitive pricing. Though smaller in scale, its focus on quality compliance and regional export relationships—especially with Bangladesh, Pakistan, and Vietnam—make it a reliable supplier in the raw cotton and cottonseed cake segment.
Pashupati Cotspin Ltd	Pashupati Cotspin is a vertically integrated textile company with a comprehensive farm-to-fabric model. Its operations span ginning, spinning (with over 37,000 spindles), weaving, sizing, and oil milling, giving it control over the full value chain. The company is strongly positioned in the sustainable textile ecosystem, supported by certifications including GOTS, BCI, GRS, and IKEA compliance. Pashupati actively engages with over 5,000 cotton farmers through traceable sourcing initiatives and invests in renewable energy (17.6 MW from solar and wind). With exports to over 35 countries, it caters to demand for greige yarn, finished fabrics, and certified cotton products, making it a globally trusted ESG-compliant supplier.

## 7.2 Competitive Strategies

The Indian cotton ginning and fabric industry is characterized by a fragmented yet rapidly consolidating structure, with numerous small and medium-sized players co-existing alongside integrated large-scale enterprises. Competitive strategies vary significantly based on scale, market orientation (domestic vs export), technology adoption, and product specialization.

A dominant strategy across the industry is backward and forward integration. Leading textile conglomerates such as KPR Mill, Vardhman Textiles, and Trident Ltd. have established full-scale operations—from ginning and spinning to weaving, dyeing, and garmenting. This integration enhances quality control, reduces costs, and ensures timely delivery, especially for export clients. These companies also focus on global certifications (e.g., GOTS, OEKO-TEX) and traceability systems to meet international compliance standards and align with the growing demand for sustainable textiles.

Technology upgradation and mechanization form another cornerstone of competition. Private players and government-supported entities are investing in advanced ginning machinery, contamination control systems, and digital bale tagging (QR/barcoding). Modern units such as Milan Ginning Pressing Pvt. Ltd. differentiate by offering low-contamination cotton, better press packing, and organic/BCI-certified lint. Additionally, many players in the fabric value chain are embracing digital printing, zero-liquid discharge (ZLD) effluent systems, and eco-friendly dyeing techniques under initiatives like the National Technical Textiles Mission and Amended Technology Upgradation Fund Scheme (ATUFS).

Regional dominance and cluster specialization also define strategic positioning. Gujarat and Maharashtra house large-scale ginning and cotton weaving units, while Tamil Nadu has emerged as a spinning and apparel hub, especially in Coimbatore, Tiruppur, and Erode.

Companies often leverage local supply chains and skilled labour clusters for operational efficiency and cost advantage.

On the financial side, listed peers like Vardhman, RSWM, and Nahar Spinning follow strategies focused on diversified customer bases, currency hedging, and value-added products such as melange yarns, fancy fabrics, or knitted grey cloths to maintain profitability amid raw material volatility. These companies also prioritize energy efficiency and renewable adoption (e.g., KPR's wind energy capacity), which supports both ESG positioning and cost control.

In the export segment, firms tailor strategies to tap into free trade agreements (FTAs), government export incentives (like RoDTEP and RoSCTL), and fast-changing global fashion trends. Export-oriented firms often maintain product design cells, collaborate with fashion houses, and adopt short lead-time models to win large orders from the US, EU, and Japan.

Smaller or regional players in the unorganized segment typically compete on cost, location proximity to raw cotton belts, and volume-based pricing, often catering to domestic demand or contract-based processing for larger buyers. Some have begun upgrading to semi-automated ginning systems to improve productivity and meet traceability demands from buyers. In conclusion, competitive strategies in India's cotton and fabric industry revolve around vertical integration, sustainability, regional specialization, technological adoption, and export focus. Firms that successfully blend operational efficiency, compliance, digitalization, and customer-centric innovation are positioned to thrive amid global shifts in textile sourcing and rising ESG norms.

### **7.3 Barriers to Entry**

While India's cotton ginning and fabric industry is a vital component of the textile value chain and presents growth opportunities, it also poses formidable barriers to entry for new players. The sector is dominated by established regional players, vertically integrated conglomerates, and family-run enterprises with deep-rooted supply chain linkages. Entrants—especially MSMEs—face structural and operational challenges ranging from capital intensiveness to stringent regulatory requirements and entrenched market competition. These barriers inhibit innovation, limit scale-up potential for smaller players, and consolidate the advantages of incumbents. Key entry barriers include:

**1.High Capital Investment Requirements** - New entrants face substantial upfront costs across multiple areas of the cotton and fabric value chain:

- **Plant and Machinery:** Setting up modern ginning or fabric weaving units requires significant investment in automated gins, contamination control systems, looms, and dyeing/printing machinery. The cost of a medium-sized ginning plant alone can range between ₹3–5 crore.
- **Land and Infrastructure:** Industrial plots with access to cotton-producing belts and textile clusters are both expensive and scarce, particularly in Gujarat, Maharashtra, and Tamil Nadu.
- **Working Capital Needs:** Procurement of raw cotton requires high working capital during the harvesting season (Oct–Mar), often exposing new firms to price volatility and liquidity constraints. These investments carry considerable risk and demand long gestation periods before achieving break-even.

**2.Regulatory and Compliance Burden-** Navigating India's regulatory ecosystem is particularly challenging for newcomers:

- **Ginning Licensing and Pollution Norms:** Firms must register with local textile boards, comply with BIS standards, and obtain pollution control board clearances, especially for dyeing/printing units under Zero Liquid Discharge (ZLD) norms.
- **Labor and Factory Laws:** Compliance with the Factories Act, minimum wage laws, and other labour codes adds to administrative complexity.
- **Traceability and Certification:** Export-focused units need certifications like GOTS, OEKO-TEX, and BCI-compliant sourcing, which require traceable supply chains and quality management systems.

These regulatory requirements often demand legal expertise and strong internal compliance mechanisms, which new firms typically lack.

**3. Raw Material Volatility and Supply Chain Dependence-** The industry's heavy dependence on cotton—a seasonal and climate-sensitive crop—creates input risks:

- **Price Fluctuations:** Cotton prices are highly volatile due to monsoon variability, global commodity trends, and export-import policies. New entrants may lack hedging mechanisms or the financial cushion to absorb shocks.
- **Supply Chain Relationships:** Established players have long-standing ties with cotton farmers, ginning co-operatives, and textile traders, allowing them to ensure uninterrupted supply and better pricing.

This entrenched ecosystem is difficult for new entrants to penetrate without prior relationships or strong distribution networks.

**4. Technological Competitiveness and Scale Efficiency-** Technology plays a central role in productivity and quality assurance:

- **Automation and Contamination Control:** Incumbents are investing in double roller gins, fully automated pressing units, and RFID-based traceability, which enhance quality and reduce waste.
- **Digital Transformation:** Fabric mills are adopting CAD-based design tools and digital printing technologies to reduce turnaround time and meet fashion market demands.

New entrants may find it difficult to match these capabilities without substantial capex and trained manpower.

**5. Branding and Market Trust-** In both domestic and export markets, trust and consistency matter significantly:



- **Buyer Stickiness:** Large domestic buyers and export houses prefer dealing with known suppliers with proven quality and delivery performance.
- **Brand Absence:** New companies lack brand equity in B2B markets, especially in fabric categories like premium shirting, denim, and technical textiles.
- **Credit Terms:** Smaller or new firms often struggle to provide extended credit terms, which are customary in textile trade. Brand invisibility and weak cash cycles limit the ability of new firms to attract and retain large buyers.

#### **7.4 Company Positioning – Milan Ginning Pressing Limited**

The Company is founded by the Chairmen Mr. Husenali Yusufali Narsinh in 1995, it is engaged in manufacturing and export of best quality cotton bales, cotton seeds and cotton cake in all principal world market and to the end users in the major world market. The Company is professionally managed company having large network and infrastructure in home as well as abroad; company is equipped with state-of-art infrastructure backed by large and fully automatic plant for cotton-to-cotton bales. Company has its roots since, the beginning of Cotton Ginning & Pressing in this region. Starting with trading of Cotton, it gradually expanded business activities establishing a Ginning press for ginning and baling of cotton to be supplied to the cotton yarn industry across the country, besides supplying cotton seeds, linters etc.

Milan Ginning Pressing limited is also engaged in organic contract farming activity covering around 1,000 acres of farming land with the help of more than 70,000 farmers in various villages surrounding to the location of their business activities and also allocated 15000 farmers for Primark & BCI cotton. Having in-depth knowledge of the business, help to delivering optimum result in specified business challenges apart from global competition with futuristic approached they have increased the capacity to 200% in last few years.

This yields overall increases in turnover of company to supply good quality cotton word wide. Milan Ginning Pressing Pvt. Ltd is located at LIMBDI, District - SURENDRANAGAR (Saurashtra-Gujarat – India). The company is spread over 50,000 square yard and equipped by the latest machineries & technology for ginning and pressing cotton & crushing of cotton seeds. Tye company have more than 36 double roller ginning machine, latest Ginning machineries, approved by government of India ministry of textiles through TMC project and gives AA grade.

Milan Ginning Pressing Pvt Ltd is among the supply chain of many brands like C&A, H&M, Primark, Inditex, PVH, Jako, Carrefour etc for organic cotton and is one of the reputed suppliers to them, along with cotton yarn by Sustainable Spinning & Commodities Pvt Ltd. (Group Concern Company) Certification for supply of organic cotton and yarn, has been obtained by group concern from Oekotex to meet the requirements of Europe and Latin American importers.

### **8. Future Outlook**

India's cotton sector stands at the cusp of a transformation, supported by favourable agro-climatic conditions, global sustainability trends, and targeted policy interventions. As the world's largest cotton producer and the second-largest textile exporter, India is strategically positioned to lead in value-added and organic cotton production. Over the next decade, rising demand for traceable and eco-friendly fiber, coupled with government-backed modernization and export incentives, is expected to reshape the cotton value chain—from farm to fabric.

India's cotton processing and export industry is entering a phase of strategic realignment, driven by growing global demand for sustainable fiber, increasing traceability norms, and diversification away from China in the global textile supply chain. Between 2024 and 2030, the industry is expected to shift from low-margin, bulk-oriented exports to higher-value, certified cotton products such as organic cotton bales, contamination-free lint, and spun yarn with environmental compliance. Export volumes, particularly of cotton yarn and fabric, are projected to grow steadily, with India poised to expand its market share in Southeast Asia, the Middle East, and Europe under trade pacts such as the India-UAE CEPA and upcoming FTAs with the UK and EU. At the same time, modern ginning and pressing infrastructure is being scaled across Gujarat, Maharashtra, and Telangana, supported by the Amended Technology Upgradation Fund Scheme (ATUFS), enabling higher efficiency and better fiber quality. The government's emphasis on traceability through bale tagging (QR-coded under APEDA), and the adoption of international certifications like GOTS, BCI, and OEKO-TEX, are further strengthening India's value proposition as a reliable and ethical sourcing destination. As a result, the cotton processing segment is likely to witness greater vertical integration—from farm to spinning to packaging—facilitating reduced lead times and enhanced export competitiveness. Additionally, a focus on organic and recycled cotton, regenerative farming, and contamination-free pressing is expected to allow processors to command premium prices in global markets. By 2030, India's cotton processing and export sector is forecasted not just to retain its global leadership in volume,

but also to evolve into a benchmark for sustainable, high-quality cotton value chains aligned with global ESG expectations.

## BUSINESS OVERVIEW

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” beginning on page 20 for a discussion of the risks and uncertainties related to those statements and also the sections titled “Risk Factors”, “Industry Overview”, “Summary of Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 28, 138, 69 and 243 respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*Unless the context otherwise requires, references in this section to “our Company”, “we”, “us”, or “our” are to Milan Ginning Pressing Limited.*

*Unless otherwise indicated or the context requires otherwise, the financial information for the period ended on December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 included herein have been derived from our restated balance sheets as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, and our restated statements of profit and loss, cash flows and changes in equity for the period ended on December 31, 2024 and fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Cotton Industry” dated June 28, 2025 (the “Research Report”) prepared and issued by Infomerics Analytics And Research Private Limited (Infomerics) which has been commissioned by and paid for by our Company exclusively in connection with this Public Issue for the purposes of confirming our understanding of the industry in which we operate. The data included herein includes excerpts from the Research Report and may have been re-ordered by us for the purposes of presentation. The Research Report will form part of the material documents for inspection and a copy of the Research Report is available on the website of our Company at <https://www.milangroupindia.com/milanginning.aspx>. Unless otherwise indicated, operational, industry and other related information included herein with respect to any particular year refers to such information for the relevant financial year. We have used information from the Research Report which we commissioned for industry data in this Draft Red Herring Prospectus and any reliance on such information is subject to inherent risks. For further details, please refer to the chapter titled as “Risk Factors” beginning on page 28.*

## INTRODUCTION

Our company was incorporated as Milan Ginning Pressing Private Limited, on April 25, 1995 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Ahmedabad. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Milan Ginning Pressing Limited” and fresh Certificate of Incorporation dated June 21, 2024 was issued by the Registrar of Companies.

We are a leading player (on consolidated basis) in the manufacturing of cotton bales, open end yarn, cotton seed, cotton seed oil, cotton linter, De Oil cakes, hulls and trading of cotton bales, open end yarn, cotton yarn, fabric, polyester yarn, and other miscellaneous products. Since its incorporation in 1995 under the dynamic leadership of our Promoter, Mr. Husenali Yusufali Narsinh, the company has continually evolved to become a prominent supplier to major global markets and end-users across the world. Company operates as a well-managed company with a strong infrastructure and an extensive global network, enabling us to efficiently cater to the increasing demand for high-quality cotton products.

The company’s journey began with the trading of raw cotton, gradually expanding into establishing a modernized ginning and pressing facility to serve the cotton yarn industry across the country. Today, Milan Ginning Pressing Limited is at the forefront of the cotton industry, not only supplying raw materials to textile industries but also engaging in large-scale organic contract farming. Our organic farming operations span over multiple acres of farmland, involving the support and participation of co-operative societies of farms from surrounding villages, thereby fostering sustainable agriculture practices. Additionally, we have selected farmers specifically for cultivating certified cotton, as per standards set by renowned international companies, further promoting responsible sourcing.

The Company is primarily engaged in the business of processing raw cotton into cotton bales, open end yarn and cotton seeds catering to textile manufacturers and exporters. As part of a vertically integrated group structure, its group entities further process the cotton bales into cotton yarn and finished cotton fabrics, thereby adding value

across the textile supply chain. The group follows a comprehensive "Farmer to Fabric" (F2F) model, under which raw cotton is directly procured from farmers, ginned by us and thereafter spun into yarn by the group entities, which is subsequently woven or processed into fabric by the group entities. This integrated approach enables the group to maintain quality control, cost efficiency, and traceability across all stages of production, while also supporting sustainable sourcing.

Our corporate headquarters and production facility are strategically located in Limbdi, District -Surendranagar, Saurashtra, Gujarat, India, spanning an area of 22,864.75 square meter. The facility is equipped with fully automated modern ginning and pressing machinery, which have been approved under the Technology Mission on Cotton (TMC) Project by the Ministry of Textiles, Government of India, ensuring the production of AA-grade cotton bales.

As a recognized and reputed supplier in the global supply chain, Our Company has established long-standing business relationships with several renowned international brands. In response to the growing demand for cotton textiles, we are establishing a manufacturing facility to engage in dyeing and printing of cotton fabrics and to increase the production through one of our subsidiaries, MAH Textiles LLP. *(MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

In addition to above our Company supplies cotton seeds to its subsidiary, KR Solvent LLP, which is involved in the extraction of non-edible cottonseed oil and in the manufacturing of by-products such as cotton linter, De Oil cakes and hulls. Some part of the items produced by KR Solvent LLP are subsequently sold to our Company as traded goods.

Our Company also supplies high-quality cotton bales to its group company, Sustainable Spinning & Commodities Private Limited, which utilizes the same for manufacturing cotton yarn. The manufactured cotton yarn is then procured by our Company from Sustainable Spinning & Commodities Private Limited and which is traded by us. Additionally, we purchase cotton waste from Sustainable Spinning & Commodities Private Limited and manufacture open end yarn from the same.

Our Company supplies cotton yarn to Sustainable Knitting LLP, which undertakes the conversion of the yarn into fabric. The fabric is subsequently procured by our Company and sold in domestic as well as international markets.

Our company holds internationally recognized certifications, including Oeko-Tex Standard 100 certification, which is essential for meeting the quality and regulatory standards required for exports, to major international markets. This certification reflects our continued commitment to adhering to sustainable practices, ethical sourcing, and quality assurance.

## **OUR BUSINESS MODEL**

Our business includes the following segments:

1. Production of cotton bales, open end yarn and cotton seeds– Milan Ginning Pressing Limited
2. Production of cotton seed oil, cotton linter, De Oil cakes and hulls through our subsidiary – K R Solvent LLP
3. Trading in products manufactured by the group through our subsidiary. Our subsidiary also intends to setup manufacturing plant for dyeing & printing of fabric through the proceeds of Offer- MAH Textiles LLP
4. Offering cotton yarn through our group company - Sustainable Spinning & Commodities Private Limited
5. Production of fabrics through our related party - Sustainable Knitting LLP

### **1. Production of cotton bales, open end yarn and cotton seed through our Company - Milan Ginning Pressing Limited**

Our company specializes in producing cotton bales, open end yarn and cotton seeds, utilizing advanced infrastructure. Cotton bales are the result of the ginning and pressing process, where raw cotton undergoes cleaning to separate fibres from seeds. We use best quality raw materials to ensure a highly reliable production process. Our ginning unit efficiently extracts cotton lint from raw cotton and produces cotton seed as a by-product in the process.

Once the cotton lint is cleaned and conditioned for uniformity and moisture control, it is fed into a hydraulic or pneumatic press to form dense, uniform bales. These compressed bales are then secured using steel or plastic straps and wrapped in protective material to prevent contamination. Each bale is carefully weighed, labelled for

tracking and quality assurance, and stored in warehouses. Finally, the bales are efficiently transported for further processing or export, ensuring smooth distribution and optimal utilization of the cotton.

We also produce open end yarn ranging from 6s to 30s, offering flexibility in different counts to meet varied production requirements

## **2. Producing cotton seed oil and other related products through our subsidiary - KR Solvent LLP**

Cotton seeds, the by-product of cotton fibre production, are separated from the lint during the ginning process. Cotton seeds further undergo a delinting process to remove linters, resulting in naked seeds known as delinted cottonseed. While fuzzy or delinted seeds can be used for livestock feed, they are also processed for oil extraction. KR Solvent LLP specializes in extracting cottonseed oil from species like *Gossypium hirsutum* and *Gossypium herbaceum*, primarily cultivated for fibre and feed. The extraction process involves hydraulic pressing, screw pressing, and solvent extraction, yielding cotton seed oil, cotton linter De-Oil cake and hulls.

## **3. Trading in products manufactured by the group through our subsidiary - MAH Textiles LLP**

MAH Textiles LLP, which is our subsidiary, undertakes trading of cotton & cotton related items which are produced by our group. Now, the subsidiary is venturing into setting up a manufacturing plant for dyeing & printing of fabric through the proceeds of offer. *MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

## **4. Offering cotton yarn through our group company – Sustainable Spinning & Commodities Private Limited**

Sustainable Spinning & Commodities Private Limited, which is a part of our group companies, focuses on manufacturing of cotton yarn, offering counts from Ne 16s to Ne 40s to meet both weaving and hosiery requirements. Catering to both domestic and international markets, the company is also planning to expand its product line with value-added offerings in the future. With a well-equipped and modern spinning mill, the company produces cotton yarn to meet growing global demand. Sustainable Spinning & Commodities Private Limited ensures the production of premium combed and combed compact yarn using advanced machinery, and a customer-centric approach, supplying to reputed buyers across India and international markets.

## **5. Production of fabrics through our related party – Sustainable Knitting LLP**

Sustainable Knitting LLP specializes in manufacturing a wide range of fabrics using different yarn counts and blends to meet diverse market demands. Catering to both domestic and international markets, the company aims to expand its product line with value-added offerings in the future. With in-house knitting machines and additional production through subcontracting, Sustainable Knitting LLP ensures efficient and high-quality fabric manufacturing. Sustainable Knitting LLP produces almost all types of knitted fabrics, ensuring a steady supply to meet industry requirements.

### **OUR BUSINESS MODEL OVERVIEW**

<b>Particulars</b>	<b>Milan Ginning Pressing Limited.</b>	<b>KR Solvent LLP</b>	<b>MAH Textiles LLP*</b>	<b>Sustainable Spinning &amp; Commodities Private Limited</b>	<b>Sustainable Knitting LLP</b>
<b>Legal Structure</b>	Limited Company	Limited Liability Partnership	Limited Liability Partnership	Private Limited Company	Limited Liability Partnership
<b>Date of Incorporation</b>	25/04/1995	10/03/2011	01/05/2017	17/10/2012	25/08/2020
<b>Promoter Ownership</b> /	Promoter-controlled	Promoter-controlled subsidiary	Promoter-controlled subsidiary	Promoter-controlled	Promoter-controlled
<b>Principal Business Activities</b>	Ginning and Pressing of Cotton.	Extraction of non-edible Cotton Seeds Oil, De-Oil	Trading of Cotton & Cotton Related items (Like Cotton Bales,	Production of Cotton Yarn	Production of Knitted Fabric

	Production of Open-End Yarn.	Cake, Cotton Linter and hulls	Cotton Yarn, Open End Yarn). Now, subsidiary is going in production process of dyeing & printing of Fabric.		
<b>Manufacturing Activity</b>	Yes (Ginning, Open End Yarn production)	Yes (Extraction of non-edible Cotton Seeds Oil, De-Oil cake, cotton linters and hulls)	Existing: No Proposed: Yes	Yes (Cotton Yarn)	Yes (Knitted Fabric)
<b>Trading Activity</b>	Yes	No	Yes	No	Yes
<b>Target Industry</b>	Textile Industry	Textile Industry	Textiles Industry	Textile Industry	Textile Industry
<b>Target Geography</b>	<b>Domestic Sales-</b> All Over India <b>Export Sales-</b> Bangladesh, Egypt, Portugal, Vietnam, China, Korea	Domestic Sales	Domestic Sales Export Sales	Domestic Sales	Domestic Sales Export Sales
<b>Relation with Group</b>	Issuer	Subsidiary of Milan Ginning Pressing Limited.	Subsidiary of Milan Ginning Pressing Limited	The Managing Director and other Two Director of Milan Ginning Pressing Limited are also Director in the Company.	The Managing Director of Milan Ginning Pressing Limited is also Partner in the Firm.
<b>Common Transactions with Group Entities</b>	Supplies Cotton Bales to Sustainable Spinning and Commodities Private Limited & MAH Textiles LLP. Supplies Cotton Seeds to K R Solvent LLP. Purchase Cotton Yarn and Cotton Waste from	Supplies De-Oiled Cake, Cotton Seed Oil to Milan Ginning Pressing Limited and purchase Cotton Seeds from Milan Ginning Pressing Limited.	Purchase & Sales of Cotton Bales and Cotton Yarn to Milan Ginning Pressing Limited and Sustainable Spinning Commodities Private Limited	Supplies Cotton Yarn and cotton waste to Milan Ginning Pressing Limited & MAH Textiles LLP. Purchase Cotton Bales (Raw Material) from Milan Ginning Pressing Limited & MAH Textiles LLP.	Supplies Fabric to Milan Ginning Pressing Limited. Purchase Open End Yarn and Cotton Yarn (Raw Material) from Milan Ginning Pressing Limited & Sustainable Spinning & Commodities

	Sustainable Spinning and Commodities Private Limited and De Oiled Cake from K R Solvent LLP.				Private Limited respectively.
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*\*MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

#### Revenue generated from Company's business operations:

(₹ in Lakhs)


Revenue from Operations	For the period/ financial year ended on							
	Consolidated		Consolidated		Standalone		Standalone	
	December 31, 2024	%	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
Trading	29,106	43.79	35,341	39.19	34,116	49.97	41,574	56.57
Manufacturing	4,709	7.08	5,512	6.11	3,405	4.99	2,637	3.59
Trading + Manufacturing*	32,200	48.44	48,514	53.79	29,903	43.80	28,775	39.15
Others**	454	0.68	821	0.91	852	1.25	507	0.69
<b>Total</b>	<b>66,469</b>	<b>100</b>	<b>90,188</b>	<b>100</b>	<b>68,275</b>	<b>100</b>	<b>73,492</b>	<b>100</b>





*\*Due to practical constraints in segregating the data for each manufacturing and trading activity the details have been compiled and presented in consolidated format.*

*\*\*The product includes the revenue generated from RoDTEP Script which is a Tradable License.*

#### OUR PRODUCTS

The following are the products being manufactured on a consolidated basis by our Company and KR Solvent LLP


PRODUCT NAME	PICTURE	DESCRIPTION	PRODUCER/ MANUFACTURER
Cotton seeds		Cotton seeds are small, oval-shaped, and have a hard, protective outer shell. They are typically covered in a thin, brown or black seed coat.  Each cotton seed contains an embryo and a small amount of endosperm, which provides nutrients to the developing plant. The Cotton Seeds are high in oil and protein.	Milan Ginning Pressing Limited
Cotton Bales		Cotton bales are large, rectangular bundles of raw cotton fibres that	Milan Ginning Pressing Limited






		<p>have been harvested from cotton plants.</p> <p>They are tightly compressed to reduce their volume for easier handling, storage, and transportation.</p> <p>However, this weight can vary depending on factors such as the moisture content of the cotton and the specific variety of cotton being baled.</p>	
Open End Yarn		Open-end spinning involves feeding the cotton fibres directly into a rotor spinning machine. In this process, the fibres are opened, cleaned, and twisted into yarn by the action of the rotating rotor and a stationary opening device.	Milan Ginning Pressing Limited
Cotton seed Oils		Cottonseed oil is a type of vegetable oil extracted from the seeds of the cotton plant ( <i>Gossypium</i> spp.). It is commonly used in cooking, food processing, and various industrial applications.	KR Solvent LLP
Cotton Seed Husks (Hulls)		<p>Cottonseed husks are tough, fibrous, and generally have a coarse texture. They are the protective outer layer of the cottonseed and are usually removed during the processing of cotton seeds for oil extraction or other uses.</p> <p>They are primarily composed of cellulose, hemicellulose, and lignin, which are structural polysaccharides found in plant cell walls.</p>	KR Solvent LLP



Cotton Linter		Cotton linter refers to the short fibres that adhere to cotton seeds after the longer fibres (used for textiles) are removed. These fibres are too short for spinning into yarn or fabric, but they have various industrial uses. They are often used to make paper products, cellulose-based plastics, and as a raw material for the production of viscose rayon. Cotton linters are valued for their cellulose content and are an important byproduct of the cotton industry.	KR Solvent LLP
De Oil Cake (DOC)		"De-oil cake," also known as "de-oiled cake" or "oil cake," is a byproduct of the oil extraction process from cottonseeds. After the oil is extracted from the Cotton Seeds, what remains is a solid, fibrous material known as de-oil cake.	KR Solvent LLP

The following are the products being traded on a consolidated basis by our Company, KR Solvent LLP and MAH Textiles LLP.

PRODUCT NAME	PICTURE	DESCRIPTION
Cotton yarn		Cotton yarn is made exclusively from raw cotton, which are natural cotton obtained from the seed pods of the cotton plant. Cotton is known for its softness, breathability, and absorbency.

Cotton seed Oils		Cottonseed oil is a type of vegetable oil extracted from the seeds of the cotton plant ( <i>Gossypium</i> spp.). It is commonly used in cooking, food processing, and various industrial applications.
Cotton Seed Husks (Hulls)		Cottonseed husks are tough, fibrous, and generally have a coarse texture. They are the protective outer layer of the cottonseed and are usually removed during the processing of cotton seeds for oil extraction or other uses. They are primarily composed of cellulose, hemicellulose, and lignin, which are structural polysaccharides found in plant cell walls.
Cotton Linter		Cotton linter refers to the short fibres that adhere to cotton seeds after the longer fibres (used for textiles) are removed. These fibres are too short for spinning into yarn or fabric, but they have various industrial uses. They are often used to make paper products, cellulose-based plastics, and as a raw material for the production of viscose rayon. Cotton linters are valued for their cellulose content and are an important byproduct of the cotton industry.
De Oil Cake (DOC)		"De-oil cake," also known as "de-oiled cake" or "oil cake," is a byproduct of the oil extraction process from cottonseeds. After the oil is extracted from the Cotton Seeds, what remains is a solid, fibrous material known as de-oil cake.
Cotton Bales		Cotton bales are large, rectangular bundles of raw cotton fibres that have been harvested from cotton plants. They are tightly compressed to reduce their volume for easier handling, storage, and transportation. However, this weight can vary depending on factors such as the moisture content of the cotton and the specific variety of cotton being baled.

Open End Cotton Yarn		Open-end spinning involves feeding the cotton fibres directly into a rotor spinning machine. In this process, the fibres are opened, cleaned, and twisted into yarn by the action of the rotating rotor and a stationary opening device
Fabric		Fabric is a textile material made by weaving, knitting, or bonding fibers together. It serves as the base material for garments, home furnishings, and industrial applications. Fabrics can be made from natural or synthetic fibres, offering a wide range of textures, weights, and functionalities for various end uses.
Polyester Yarn		Polyester yarn is a synthetic fibre made from petroleum-derived polymers. Known for its strength, durability, and resistance to shrinking and stretching, it is widely used in textiles for clothing, upholstery, and industrial applications. Polyester yarn also retains colour well and dries quickly, making it ideal for performance and fashion fabrics.

**Product wise revenue from operations:**

<i>(₹ in Lakhs)</i>									
Product Name	Bifurcation of the Product Wise Sales As Manufacturing & Trading Sales	Consolidated		Consolidated		Standalone		Standalone	
		For the Period		For the Year		For the Year		For the Year	
		Dec-24		2023-24		2022-23		2021-22	
		Revenue	% of Total Revenue	Revenue	%	Revenue	%	Revenue	%
Cotton Bales	(Trading + Manufacturing) <sup>2</sup>	24,633	37.06	42,880	47.55	26,747	39.18	28,775	39.15
Open end Yarn	(Trading + Manufacturing) <sup>2</sup>	7,567	11.38	5,634	6.25	3,156	4.62	0	0.00
Cotton Seeds	Manufacturing	7	0.01	2,709	3.00	3,405	4.99	2,637	3.59
Cotton Seeds Oil <sup>3</sup>	Manufacturing	1,673	2.52	2,210	2.45	0	0.00	0	0.00

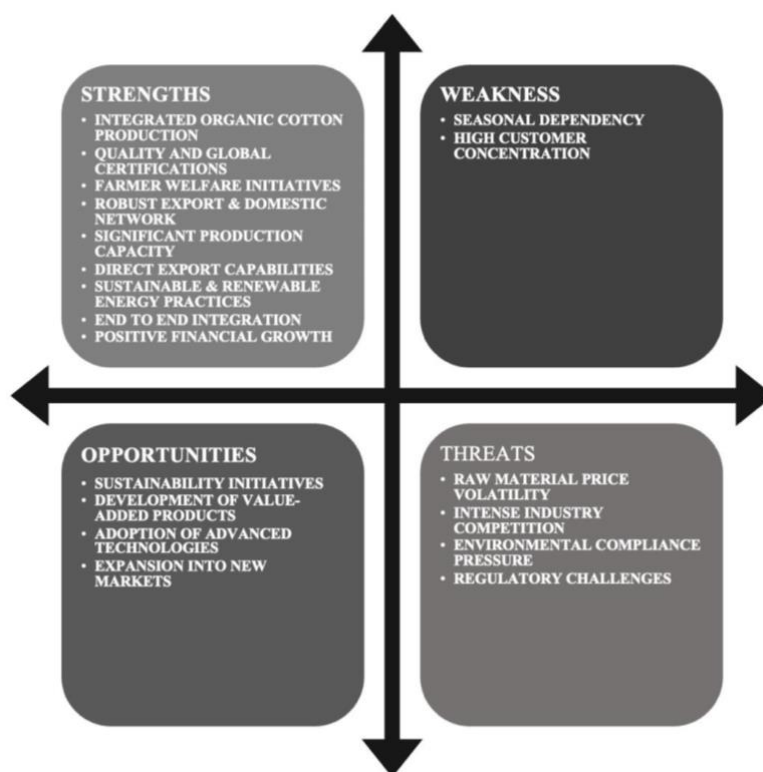
Cotton Linter <sup>3</sup>	Manufacturing	51	0.08	262	0.29	0	0.00	0	0.00
De-Oil-Cake <sup>3</sup>	Manufacturing	1,944	2.93	311	0.34	0	0.00	0	0.00
Hulls <sup>3</sup>	Manufacturing	1,034	1.56	21	0.02	0	0.00	0	0.00
Cotton Seeds Oil <sup>3</sup>	Trading	0	0.00	0	0.00	2,057	3.01	972	1.32
Cotton Linter <sup>3</sup>	Trading	0	0.00	0	0.00	354	0.52	137	0.19
De-Oil-Cake <sup>3</sup>	Trading	0	0.00	0	0.00	227	0.33	204	0.28
Hulls <sup>3</sup>	Trading	0	0.00	0	0.00	28	0.04	0	0.00
Cotton Yarn	Trading	26,822	40.35	32,410	35.94	29,932	43.84	37,896	51.56
Fabric	Trading	1,914	2.88	2,324	2.58	392	0.57	2,068	2.81
Polyster Yarn	Trading	0	0.00	1	0.00	5	0.01	0	0.00
Other Misc. Product	Trading	370	0.56	606	0.67	1,122	1.64	297	0.40
Others <sup>1</sup>	Others <sup>1</sup>	454	0.68	821	0.91	852	1.25	507	0.69
<b>Total</b>		<b>66,469</b>	<b>100</b>	<b>90,188</b>	<b>100</b>	<b>68,275</b>	<b>100</b>	<b>73,492</b>	<b>100</b>

*Note 1 : The Product includes the Revenue Generated from RoDTEP Script which is a Tradeable License*

*Note 2 : Due to Practical Constraints in segregating the Data for each manufacturing and trading activity the details have been compiled and presented in consolidated format.*

*Note 3: In F.Y 2024, Milan Ginning Pressing Limited acquired 90% Equity Stake in KR Solvent LLP. KR Solvent LLP is into Manufacturing of Cotton Seed Oil, Cotton Linter, De- Oil Cakes and Hulls. KR Solvent LLP also used to/ continue to sales its product to Milan Ginning Pressing Limited which then sold in onwards to its own clients. Before acquisition of the stake in KR Solvent LLP by Milan Ginning Pressing Limited the above product sales have been shown as trading sale while after the said acquisition of stake by Milan Ginning Pressing Limited the above product sales have been shown as Manufacturing Sales.*

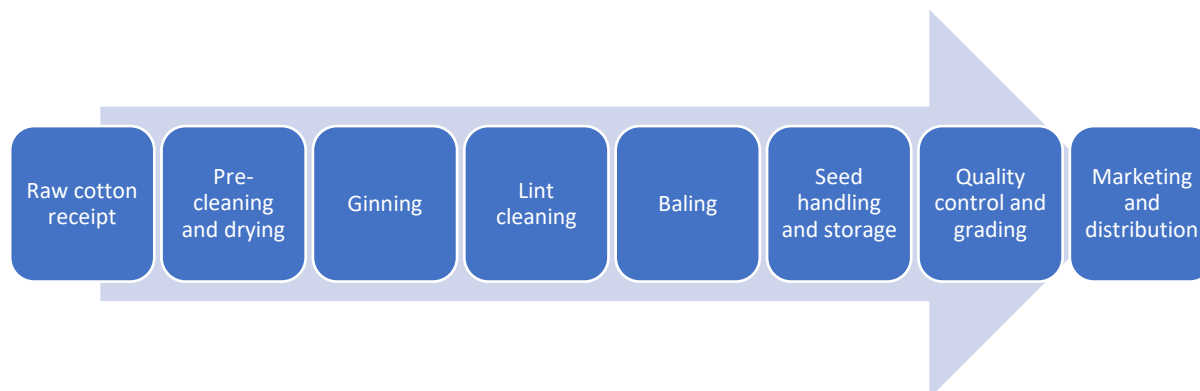
## SWOT ANALYSIS



## MANUFACTURING PROCESS

We have our manufacturing unit set up at Survey No.555/P, Near Chorania 440 KV Sub Station, National Highway-8, Untadi, Limbdi, Surendranagar-363421 with dedicated manufacturing facilities for each of our product verticals.

### Operational Workflow: Raw Material to Finished Product



#### I. Raw Cotton Receipt

Raw cotton, often still in its seed cotton form, is first delivered to the ginning facility by farmers or growers and transported via logistics providers. Upon arrival, the cotton is unloaded from transport vehicles and weighed to record the incoming quantity. A sample is then taken for preliminary quality assessment, including moisture level and trash content, to ensure it meets processing standards. Following this, the cotton is stored in designated areas such as module feeders or storage yards, where it awaits further processing. Key personnel involved in this stage include ginning facility staff responsible for receiving, weighing, sampling, and storing the cotton, as well as quality control teams who conduct the initial quality checks.

#### II. Pre-Cleaning and Drying

Before the ginning process begins, seed cotton undergoes an essential pre-cleaning and drying phase to enhance fiber separation and prevent damage. This stage involves feeding the seed cotton into pre-cleaning machinery such as module feeders and extractors to eliminate large foreign materials like leaves, sticks, and dirt. The cotton is then passed through dryers to reduce its moisture content to optimal levels. Trash particles are further removed using screens and air currents to ensure cleanliness. Ginning machine operators play a crucial role in monitoring and controlling the equipment, while maintenance staff ensure that all machinery functions smoothly throughout the process.

#### III. Ginning

Next, the cotton undergoes the ginning process, which is a critical step in separating the cotton fibers from the seeds. The ginning machines use rotating saws or roller gins to pull the fibers away from the seeds. Saw gins are commonly used for short-staple cotton varieties, while roller gins are preferred for long-staple cotton. The separated lint fibers are collected and sent for pressing, while the extracted seeds are gathered separately. Modern ginning facilities also employ advanced cleaning systems that use suction and air-blowing techniques to remove fine dust particles, ensuring that only clean and high-quality lint progresses to the next stage. Efficient ginning is essential because it directly impacts fiber length, strength, and overall quality, which in turn affects the final usability of the cotton in textile production.

#### IV. Lint Cleaning

After the ginning process, the separated lint still contains fine trash particles, short fibers, and other impurities that can affect the quality of the cotton. To address this, the lint is passed through multiple stages of lint cleaners, such as saw-type or air-jet cleaners, which are designed to remove residual leaf trash, motes, and foreign matter. This cleaning process significantly enhances the quality and grade of the cotton fiber. Ginning machine operators are responsible for monitoring the efficiency of the lint cleaning operations, while quality control personnel inspect the lint post-cleaning to ensure it meets the required standards.

#### V. Baling



Once fully cleaned, the cotton lint is fed into a baling press where it is compressed into dense, standardized bales for efficient storage, transport, and marketing. Operators carefully load the cleaned lint into the press, which compacts it into compact bales. The resulting bales are then wrapped and strapped to maintain their shape and integrity. Each bale is weighed and labeled with a unique identification number and key quality data before being moved to storage or dispatched. Baling machine operators oversee the pressing process, while ginning facility staff manage the handling, weighing, and accurate labeling of each bale.

#### **VI. Seed Handling and Storage**

The separated cotton seeds, a valuable byproduct of the ginning process, are carefully handled for further use in oil extraction, animal feed, or replanting. After separation, the seeds are conveyed away from the gin stand and undergo a cleaning process to remove any remaining lint or trash. Once cleaned, they are stored in silos or other designated storage areas to maintain quality until dispatch. The seeds are then loaded and transported to buyers or processors. This stage involves ginning facility staff who oversee the collection, cleaning, and storage of the seeds, while seed buyers and processors are responsible for their purchase and transportation.

#### **VII. Quality Control and Grading**

Throughout and after the ginning process, cotton samples are routinely taken and tested to assess key fiber quality parameters that determine the grade and market value of the cotton. This involves sampling lint directly from the bales and analyzing properties such as staple length, fiber strength, micronaire, color, and trash content using High Volume Instruments (HVI). Based on the test results, each bale is assigned an appropriate grade. Quality control personnel or classers are responsible for conducting these tests and grading the cotton, while ginning management utilizes the quality data to make operational adjustments and inform marketing strategies.

#### **VIII. Marketing and Distribution**

Once the cotton has been ginned, baled, and graded, it is prepared for sale to textile mills and other buyers. The sales process involves offering the bales to merchants or mills, finalizing transactions, and arranging transportation to the buyer's location. Proper documentation and record-keeping are maintained to ensure transparency and traceability in all sales. Ginning management and the sales team handle marketing and selling the ginned cotton, while merchants and textile mills act as the primary purchasers. Transport logistics providers are responsible for delivering the bales to their final destinations efficiently and securely.

### **OUR COMPETITIVE STRENGTHS**

#### ***Strategic location***

One of the company's greatest strengths lies in its strategic location in Gujarat, a state known for being one of the largest cotton-producing regions in India. This geographic advantage ensures a consistent and high-quality supply of raw cotton, reducing procurement costs and enhancing operational efficiency. Additionally, Gujarat is home to major ports like Mundra and Kandla, which provides seamless access to global markets, making the export of cotton bales, cotton yarn, and other allied products both cost-effective and efficient. The well-developed transportation and logistics infrastructure in the region further supports smooth domestic and international trade.

#### ***Sustainable Energy Utilization through Wind Mill***

Our Company demonstrates a commitment to sustainability and operational efficiency by integrating renewable energy sources into its business model. One of the key strengths of the Company is its use of a windmill to subsidise the cost of power for its operations. This initiative contributes significantly to lowering the Company's carbon footprint. The use of wind energy enhances the Company's environmental credentials and supports long-term energy cost stability, thereby strengthening its overall operational resilience and aligning with global trends towards green and sustainable manufacturing practices.

#### ***High-quality manufacturing standards***

The company also prides itself on its good quality manufacturing standards, which set it apart in a competitive industry. With advanced manufacturing facilities equipped with modern technology, the company ensures that its cotton products meet both domestic and international quality benchmarks. By adhering to global quality certifications such as OEKO-TEX, the company builds trust with buyers and maintains a strong reputation in the industry. The emphasis on quality control at every stage of production ensures that customers receive premium-grade cotton products, which enhances the company's credibility and customer satisfaction.

#### ***Export network***

Another major advantage is the company's export network, which has allowed it to establish a strong presence in international markets. Over the years, the company has built long-term relationships with global buyers, ensuring

repeat business and expanding its reach across multiple countries. The ability to supply large volumes while maintaining quality and timely deliveries has strengthened the company's foothold in the global cotton industry.

#### Revenue generated from exports –

(₹ in Lakhs)

Name of Country	For the period/ financial year ended on							
	Consolidated		Consolidated		Standalone		Standalone	
	December 31, 2024	%	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
Bangladesh	9,151	72.51	23,695	86.93	19,813	91.13	24,305	79.36
China	51	0.40	550	2.02	354	1.63	484	1.58
Croatia	0	0.00	0	0.00	0	0.00	293	0.96
Egypt	135	1.07	355	1.30	264	1.21	272	0.89
Germany	0	0.00	0	0.00	0	0.00	346	1.13
Guatemala	0	0.00	71	0.26	0	0.00	0	0.00
Hong Kong	0	0.00	0	0.00	0	0.00	2	0.00
Korea	335	2.66	36	0.13	47	0.22	127	0.41
Los Angeles	176	1.39	59	0.22	0	0.00	400	1.31
Portugal	342	2.71	1,833	6.72	865	3.98	3,351	10.94
Singapore	0	0.00	155	0.57	0	0.00	0	0.00
South Korea	51	0.40	101	0.37	197	0.91	114	0.37
Sri Lanka	991	7.86	257	0.94	202	0.93	0	0.00
Taiwan	0	0.00	0	0.00	10	0.05	0	0.00
Thailand	0	0.00	32	0.12	0	0.00	0	0.00
Turkey	250	1.98	115	0.42	-11*	-0.05*	934	3.05
Vietnam	1,138	9.01	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>12,620</b>	<b>100.00</b>	<b>27,258</b>	<b>100.00</b>	<b>21,742</b>	<b>100.00</b>	<b>30,627</b>	<b>100.00</b>

*\*Note 1: The negative sales in Turkey for the fiscal year 2022-2023 are attributed to the sales returns from transactions made in preceding fiscal year/s.*

In recent years, instability in international markets, including geopolitical tensions, rising production costs in competing countries, and supply chain disruptions, has contributed to a strategic shift in global sourcing patterns. As a result, India has emerged as a preferred export hub for textile products, particularly fabrics, owing to its strong raw material base, skilled workforce, and integrated manufacturing capabilities. The export of fabrics from India witnessed a significant growth in the recent fiscal year. This positive trend reflects increasing global confidence in Indian textile manufacturers and presents a favourable opportunity for companies operating in the sector to expand their international footprint and strengthen their position in the global textile value chain.

#### ***Diversified geographical regions in India***

We have established a presence across multiple key regions in India to leverage the unique advantages offered by each geography. This regional diversification enables us to optimize our supply chain, ensure proximity to raw material sources, access skilled labour, and efficiently serve a wider customer base. By operating across various states known for textile production and consumption, we mitigate location-specific risks, reduce operational disruptions, and enhance market responsiveness. This strategic spread also supports our subsidiary, MAH Textiles LLP\*, in streamlining distribution, thereby contributing to our overall growth and resilience.

*\*MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

#### **Domestically**

(₹ in Lakhs)

Name of State	For the period/ financial year ended on							
	Consolidated		Consolidated		Standalone		Standalone	
	December 31, 2024	%	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
Andhra Pradesh	29	0.05	274	0.43	52	0.11	0	0.00
Dadra & Nagar Haveli	467	0.87	303	0.48	447	0.96	166	0.39
Gujarat	30,283	56.24	39,748	63.16	36,322	78.06	32,453	75.71
Haryana	1,141	2.12	2,106	3.35	244	0.52	16	0.04
Himachal Pradesh	0	0.00	200	0.32	0	0.00	54	0.13
Karnataka	455	0.84	564	0.90	13	0.03	12	0.03
Madhya Pradesh	836	1.55	1,568	2.49	1,101	2.37	772	1.80
Maharashtra	6,615	12.28	7,234	11.50	4,070	8.75	3,761	8.77
New Delhi	266	0.49	576	0.92	262	0.56	833	1.94
Punjab	766	1.42	524	0.83	0	0.00	1,544	3.60
Rajasthan	65	0.12	295	0.47	563	1.21	74	0.17
Tamil Nadu	12,831	23.83	8,274	13.15	3,034	6.52	1,616	3.77
Telangana	40	0.07	818	1.30	0	0.00	1,371	3.20
Uttar Pradesh	56	0.10	208	0.33	379	0.81	53	0.12
Uttarakhand	0	0.00	0	0.00	0	0.00	21	0.05
West Bengal	0	0.00	239	0.38	47	0.10	120	0.28
<b>Total</b>	<b>53,849</b>	<b>100</b>	<b>62,931</b>	<b>100</b>	<b>46,533</b>	<b>100</b>	<b>42,865</b>	<b>100</b>

***Experienced Promoters with strong management team having domain knowledge***

The company is backed by an experienced leadership team with extensive industry knowledge and expertise. The management's deep understanding of the cotton market, coupled with strong relationships with farmers, suppliers, and customers, ensures a steady supply chain and long-term business sustainability. These well-established industry connections not only provide a competitive edge but also enable the company to anticipate market trends and adapt accordingly, securing its position as a key player in the industry.

**OUR BUSINESS STRATEGIES**

***Quality of Our Products***

Our strength lies in our deep understanding of customer requirements and our ability to execute them effectively. This proficiency has not only helped us secure repeat orders from existing customers but has also enabled us to attract new clients. We believe that the meticulous attention to detail and quality of our products allows us to command better margins, enhancing the overall value of our offerings, and we are persistent in continuing this business philosophy.

***Optimal Utilization of Resources***

Our company is committed to continuously improving its production processes, workforce skills, and machinery maintenance, particularly during the off-season, to maximize resource efficiency. We regularly assess our raw material procurement and manufacturing operations to identify and eliminate bottlenecks, ensuring seamless production. This proactive approach enhances efficiency and ensures optimal utilization of available resources, contributing to higher productivity and profitability.

**Our Top 10 Customers -**

**For the period ended on December 31, 2024 and Fiscal Year ended 2024, 2023 and 2022:**

(₹ in Lakhs)

Particulars	Consolidated	Consolidated	Standalone	Standalone
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	For the Period		For the Year		For the Year		For the Year	
	Dec-24		2023-24		2022-23		2021-22	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Customer 1	2,372	3.57	11,087	12.29	17,335	25.39	23,038	31.35
Customer 2	2,155	3.24	3,210	3.56	4,465	6.54	2,799	3.81
Customer 3	1,951	2.94	2,709	3.00	3,963	5.80	2,610	3.55
Customer 4	1,784	2.68	2,578	2.86	3,405	4.99	2,056	2.80
Customer 5	1,706	2.57	2,210	2.45	3,280	4.80	1,968	2.68
Customer 6	1,673	2.52	2,116	2.35	2,561	3.75	1,893	2.58
Customer 7	1,616	2.43	1,805	2.00	2,057	3.01	1,726	2.35
Customer 8	1,287	1.94	1,768	1.96	1,925	2.82	1,645	2.24
Customer 9	1,281	1.93	1,747	1.94	1,763	2.58	1,320	1.80
Customer 10	1,245	1.87	1,515	1.68	1,622	2.37	1,244	1.69
Other Customers	49,399	74.32	59,443	65.91	25,900	37.93	33,194	45.17
<b>Total</b>	<b>66,469</b>	<b>100.00</b>	<b>90,188</b>	<b>100.00</b>	<b>68,275</b>	<b>100.00</b>	<b>73,492</b>	<b>100.00</b>

Note: The Customers represent the top customers for each of the respective Fiscals and the nine-month period ended December 31, 2024 and may not necessarily be the same customers across the three Fiscals and nine-month period ended December 31, 2024.

#### **Market Expansion and Diversification**

Expanding into new domestic and international markets is crucial for growth. The company endeavours to expand its global footprint by expanding its presence in high-demand regions such as China, Vietnam, and Europe, where the textile industry heavily relies on cotton imports.

#### **Strengthening Supply Chain and Procurement Efficiency**

To maintain cost efficiency and ensure a steady supply of raw materials, the company has committed build and nurtured strong relationships with cotton farmers and suppliers. Farming can help secure high-quality raw cotton at stable prices, reducing dependency on volatile market conditions.

#### **Our Top 10 Suppliers -**

**For the period ended on December 31, 2024 and Fiscal Year ended 2024, 2023 and 2022:**

(₹ in Lakhs)

Particulars	Consolidated		Consolidated		Standalone		Standalone	
	For the Period		For the Year		For the Year		For the Year	
	Dec-24		2023-24		2022-23		2021-22	
	Purchase	%	Purchase	%	Purchase	%	Purchase	%
Supplier 1	14,623	23.56	17,718	20.75	18,530	28.97	19,125	27.27
Supplier 2	2,422	3.90	6,962	8.15	4,242	6.63	2,859	4.08
Supplier 3	2,071	3.34	2,155	2.52	3,784	5.92	1,912	2.73
Supplier 4	1,809	2.92	2,064	2.42	2,405	3.76	1,706	2.43
Supplier 5	1,552	2.50	1,827	2.14	1,070	1.67	1,332	1.90
Supplier 6	976	1.57	1,671	1.96	990	1.55	1,300	1.85
Supplier 7	929	1.50	1,555	1.82	935	1.46	793	1.13
Supplier 8	925	1.49	1,304	1.53	858	1.34	757	1.08

Supplier 9	842	1.36	1,185	1.39	853	1.33	738	1.05
Supplier 10	795	1.28	958	1.12	818	1.28	731	1.04
Other Suppliers	35,118	56.58	47,975	56.19	29,472	46.08	38,883	55.44
<b>Total</b>	<b>62,063</b>	<b>100.00</b>	<b>85,375</b>	<b>100.00</b>	<b>63,957</b>	<b>100.00</b>	<b>70,138</b>	<b>100.00</b>

*Note: The suppliers represent the top suppliers for each of the respective Fiscals and the nine-month period ended December 31, 2024 and may not necessarily be the same suppliers across the three Fiscals and nine-month period ended December 31, 2024.*

#### ***Strong In-House quality control across the value chain***

The Company places strong emphasis on quality assurance and undertakes **in-house laboratory testing at all critical stages** of its production process from the procurement of raw cotton to the production of cotton bales, open-end yarn and cotton seeds. During the procurement stage, the Company conducts rigorous quality checks on raw cotton sourced directly from farmers to ensure consistency and suitability for processing. Further testing is carried out at subsequent stages, including ginning, spinning, and packaging, to maintain high standards of quality and product integrity. Additionally, at the time of final product dispatch, many of the Company's customers also conduct their own quality checks, reinforcing the Company's commitment to delivering reliable and quality-assured cotton yarn and bales.

#### ***Strategic Sales and Marketing Approach with a Dedicated Team***

The Company has a dedicated sales team comprising 5 employees, supported by a strategic network of **local agents and brokers** to enhance market reach. The sales team actively promotes the Company's products by **conducting seminars, holding direct meetings with buyers**, and leveraging relationships with stakeholders across the value chain. To tap into global markets, the Company also **engages international brokers** who represent the Company abroad and assist in conducting and participating in **international seminars and trade events**, thereby strengthening the Company's brand visibility and customer base both domestically and internationally.

#### ***Technology and Process Innovation***

We are committed to constantly upgrade manufacturing facilities with modern machinery and automation to enhance productivity, reduce waste, and improve product quality. The adoption of advanced ginning/spinning techniques, energy-efficient machinery can boost operational efficiency and maintain a competitive edge.

#### ***Strengthening Brand Positioning and Marketing***

Building a strong brand identity is essential for business growth. Over the years the company has built a strong foothold in the industry and it further aims to double-down on this strength and position itself as a market leader. Our Company is aware of the advent of dynamic marketing strategies that might act as growth driver for a business, and the company is exploring options to adopt some of the modern marketing channels and stay ahead of its competitors.

#### ***Adherence to Global Quality Standards Enabling Collaboration with Renowned Brands – Meet their Sustainability Requirements***








The Company maintains stringent quality standards across its manufacturing processes, enabling it to meet the specific requirements of renowned international brands, that follow strict quality compliance protocols. By aligning with these global benchmarks, the Company has successfully positioned itself as a reliable supplier in the international textile market. This commitment to quality not only enhances customer confidence but also facilitates long-term business relationships with reputed buyers who prioritise consistency, compliance, and sustainability in sourcing.


### **OUR MACHINERIES**







Our manufacturing unit has been set up by using the machineries and components which have been bought from reliable sources in the country. All the suppliers have been selected by the company on the basis of their past experience and competitive prices.

The plant & machinery installed at the manufacturing unit of Milan Ginning Pressing Limited:

Sr.	Particulars	Specification /	Qty.	End Use	Photos
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No		Make			
1	Weighbridge	100 M. Ton	1	Weighing of Raw Mtl. & Finish Goods	
2	Kodi Cleaner	Local make	2	Cleaning of raw material	
3	Conveyor system	Local Make	2	Movement of materials from hard box to Ginning machine	
4	DR Ginning machine	Jadhao make	48	Ginning of raw materials	
5	Super cleaner	Local make	1	Cleaning of materials	
6	Bale Pressing Machine	Local make	1	Pressing of Finish materials	
7	Hard Box	Local make	1	Collection of raw materials	

8	Conveyor system	Local make	1	Movement of materials from hard box to Ginning machine	
9	Blowroom : Blendomet, MPM-unimix, CLP, CLC3, Vetal scanner, Ductex	NA	1	To process opening, cleaning, and blending of cotton fiber tufts without overstressing of fibers	
10	Card	TC10	5	separates individual fibers and removes impurities	
11	Finishing drawframe	TD78	1	improves the quality and uniformity of a loosely twisted strand of fibers, before it is spun into yarn.	
12	Finishing drawframe	LDA1	2	Improves the quality and uniformity of a loosely twisted strand of fibers, before it is spun into yarn.	
13	Open end spinning machine	R60	3	Open End Rotor Spinning Machine	

					
14	Compressor + Dryer+ Receiver	NA	2	Compressed air powers the machinery in ginning mills, which separates cotton lint from the seed	
15	Humidification Plant	NA	1	For Humidification of the product to be manufactured.	
16	Dust collector & Processing Plant	NA	1	Dust emissions from Raw cotton.	
17	Transformer	NA	1	transformer used in a ginning machine to provide power to Plant	
18	DG Set	NA	1	DG Set used in case of power failure to provide power to Plant	



## CAPACITY UTILIZATION

The total installed capacity of our manufacturing unit and capacity utilisation for the period ended December 31, 2024 and fiscal year ended 2024, 2023 and 2022 are as follows:

### Present production capacity of Milan Ginning Pressing Limited:

Particulars	For the period/ financial year ended on							
	December 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Capacity installed	Capacity utilised	Capacity installed	Capacity utilised	Capacity installed	Capacity utilised	Capacity installed	Capacity utilised
Cotton bales	7,000	40%	7,000	81%	7,000	79%	7,000	75%
Cotton yarns	2,430	53%	2,430	82%	2,430	61%	NA	NA

## RAW MATERIAL & SOURCING

The primary raw material required by our Company is seed cotton, which is procured seasonally from various agricultural markets and suppliers. The procurement process is planned and executed to ensure uninterrupted operations during the cotton ginning and pressing season.

Our Company procures seed cotton directly from local farmers, agricultural produce market committees (APMCs), and registered traders or commission agents operating in proximity to our manufacturing facility in Limbdi, Gujarat. The procurement is generally carried out during the peak harvesting season, based on prevailing market prices, projected production schedules, and quality parameters.

We follow a structured process for raw material procurement, which includes:

- 1. Assessment of Procurement Requirements:** Based on historical consumption trends, production targets, and seasonal availability of cotton.
- 2. Supplier Selection:** Preference is given to suppliers offering consistent quality, competitive pricing, and reliable delivery timelines.
- 3. Price Discovery:** Prices are negotiated based on prevailing mandi rates, benchmark prices published by the Cotton Corporation of India (CCI), and prevailing market trends.
- 4. Quality Control:** Upon arrival at the factory premises, the seed cotton undergoes preliminary inspection for moisture content, trash levels, and overall grade. Only material meeting our predefined quality standards is accepted.
- 5. Logistics & Storage:** Once quality approval is granted, the cotton is unloaded and stored in designated raw material yards for further processing.
- 6. Payment Process:** Payments to suppliers are processed in accordance with mutually agreed terms, post verification of delivery and quality compliance.

This procurement process ensures that our Company maintains adequate stock of high-quality raw material during the ginning season, thereby supporting efficient production planning and optimal capacity utilization.

## QUALITY CONTROL


The quality control process plays a critical role in ensuring the production of high- quality Raw Cotton, which is a vital raw material for various industries worldwide. We follow stringent quality standards to uphold our brand reputation and ensure customer satisfaction.

### Quality Check Process:

1.	Raw Material Inspection	<p>Step 1- Inspection begins with the arrival of raw cotton at the factory premises</p> <p>Step 2- Evaluate the quality of the cotton based on parameters such as fibre length, strength, colour, and cleanliness in our in house lab.</p> <p>Step 3- Take representative samples from each raw cotton for further testing and analysis.</p>
2.	Lint Cleaning and Drying	<p>Step 1- Remove remaining impurities and short fibres from the lint using lint cleaners</p> <p>Step 2- Ensure lint is adequately dried to prevent moisture-related issues that could affect fibre quality.</p>
3.	Quality Testing and Inspection	<p>Step 1- Conduct tests on lint samples for fibre length, strength, micronaire value (fibre fineness) and color in house lab.</p> <p>Step 2- Measure the amount of non-fibre content (trash) present in the lint.</p> <p>Step 3- Classify the lint based on established grading standards for different quality levels.</p> <p>Step 4: Test the strength of the yarn produced from the processed lint to ensure it meets the desired durability and performance standards.</p>

## INTELLECTUAL PROPERTY RIGHTS

Following are the details of the Trademarks applied in the name of our company, in India:

S. No.	Logo	Class	Category of Trademark	Owner	Application no.	Date of application	Status
1.		22	Device	M/s Milan Ginning Pressing Ltd.	6592257	26/08/2024	Formalities Check Pass

## INSURANCE POLICIES

Our operations are subject to various risks, including those related to property damage, liabilities, and other unforeseen events. To mitigate these risks, we maintain a range of insurance policies, including fire, stock, and assets. These policies are provided by various insurance providers, and are reviewed periodically to ensure that they adequately cover the risks faced by our business. While we believe our insurance coverage aligns with industry standards. As such, we cannot provide assurance that all potential losses or claims will be covered or that we will not incur losses beyond the limits of our insurance policies. Also refer to section titled “**Risk Factors**” for the risk relating to inadequate insurance coverage, beginning from page 28 of this Draft Red Herring Prospectus.

As on date of this Draft Red Herring Prospectus we have obtained various insurance policies such as insurance coverage in respect of certain risks related to.

Insurer	Policy Number	Description of Property	Sum Insured (In ₹)	Expiry Date	Type of insurance
The New India Assurance Co. Ltd.	33170046240100000223	Stock	40,00,00,000	28/07/2025	Burglary Insurance
The New India Assurance Co. Ltd.	33170011240100000013	Building	8,00,00,000	28/07/2025	Fire Insurance
The New India Assurance Co. Ltd.	33170011240100000013	Plant & Machinery	21,00,00,000	28/07/2025	Fire Insurance
The New India Assurance Co. Ltd.	33170011240100000013	Stock	40,00,00,000	28/07/2025	Fire Insurance
The New India Assurance Co. Ltd.	33170044245100000012	Plant & Machinery	21,00,00,000	28/07/2025	Machinery Breakdown
Go Digit General Insurance Ltd	D165888251	Employees / workers	4,10,16,000	17/09/2025	Workman Compensation Insurance policy
United Insurance Company Limited	0307051224P115599046	Wind Mill	13,00,00,000	26/12/2025	Burglary Insurance
United Insurance Company Limited	0307054424P115595800	Wind Mill	12,00,00,000	26/12/2025	Machinery Breakdown
United Insurance Company Limited	0307051124P115599409	Wind Mill	4,00,00,000	26/12/2025	Fire Policy
United Insurance Company Limited	0307051124P115596310	Wind Mill	13,00,00,000	26/12/2025	Laghu Udyam Suraksha Policy

## HUMAN OF RESOURCES

Our Company has a total strength of 38 employees (including executive directors) as on December 31, 2024 which looks after the different aspects of our business-like finance, operations etc.

The classification of the Employees as per their qualification and designation is stated below: -

S.NO.	NAME OF DEPARTMENT	NO. OF EMPLOYEE AS ON MAY 31 <sup>st</sup> 2024	NO. OF EMPLOYEE AS ON DECEMBER 31 <sup>st</sup> 2024
1.	Top Management (KMP)	1	3
2.	Account Department	3	7
3.	Information Technology Department	1	1
4.	Sales and Marketing	2	5
5.	Human Resources Department	2	2
6.	Purchase Department	1	3
7.	Administrative Department	1	3



8.	Finance and Banking	1	2
9.	Export Department	2	2
10.	Security Department	2	4
11.	Peon	1	2
12.	Vehicle Department	1	2
13.	Factory Staff	68	62
14.	Canteen	3	2
	<b>TOTAL</b>	<b>89</b>	<b>100</b>

#### No of Employees and Amount Paid as per EPFO and ESIC Returns

Please find below the details of employees registered with Employee Provident Fund and Employee State Insurance For the period ended December 31, 2024 and fiscal year ended 2024, 2023 and 2022 for Milan Ginning Pressing Limited:

Department	For the period/ financial year ended on							
	December 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	No. of employees	Amount Paid	No. of employees	Amount Paid	No. of employees	Amount Paid	No. of employees	Amount Paid
Employee State Insurance	NA	NA	NA	NA	NA	NA	NA	NA
Employee Provident Fund	14	1,99,774	14	2,08,155	17	1,35,064	19	1,40,052

#### IMMOVABLE PROPERTIES

##### Milan Ginning Pressing Limited-

S. No.	Details of the Property	Address	Area in Square Metre	Owned /Lease d/Rent ed	Details of the Owner/Lessor/ Licensor/ Vendor
1.	Registered Office	Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi,Limbdi, District-Surendranagar (Gujarat)-363421	22864.75	Owned	Milan Ginning Pressing Limited

2.	Manufacturing Unit	Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi,Limbdi, District-Surendranagar (Gujarat)-363421	22864.75	Owned	Milan Ginning Pressing Limited
3.	Warehouse	Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi,Limbdi, District-Surendranagar (Gujarat)-363421	22864.75	Owned	Milan Ginning Pressing Limited
4.	Wind Mill	Survey No. 202 P, Village Vankiya, Babra, Amreli, Gujarat	10000	Sub Leased *	Paschim Gujarat Vij Company Limited

*\* The windmill is owned by Paschim Gujarat Vij Company Limited and was leased to Inox Green Energy Services Limited, who has further sub-leased the same to us.*

**MAH Textile LLP\***

Purpose	Owner	Address	Owned/Leased
Land for manufacturing unit	Minajbanu Husenali Narsinh	Survey No. 942 & 943, Untadi, Limbdi, District- Surendranagar (Gujarat) - 363421	Leased

*\* MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.*

## KEY INDUSTRY REGULATIONS

*The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company and our Subsidiaries. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” on page 271.*

*The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company.*

### A. BUSINESS RELATED LAWS AND REGULATIONS

#### ***National Textile Policy, 2000 (“NTP 2000”)***

The NTP 2000 aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressure of import penetration and maintain dominant presence in the domestic market. The industry aims at developing a strong and vibrant textile industry that can produce quality products at acceptable process. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organized mill industries, power loom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards.

*Salient objective of NTP is as follows –*

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fibre base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realize its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

#### ***Production-Linked Incentive Scheme in Textiles Products:***

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

#### ***Legal Metrology Act, 2009 (“Legal Metrology Act”)***

The Legal Metrology Act came into effect on April 1, 2011 and has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade

and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller. The Legal Metrology Act contains provisions for verification of prescribed weight or measure by Government approved test centre. Qualifications are prescribed for legal metrology officers appointed by the Central Government or State Government. It also provides for exemption regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who is responsible for complying with the provisions of the enactment. There is penalty for offences and provision for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the Government to make rules for enforcing the provisions of the enactment.

### ***The Textiles Committee Act, 1963***

The Textile Committee Act, 1963 (the “**Act**”) was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “**Textile Committee**”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and test houses for testing of textiles and data collection and such other matters related to the textile industry.

### ***Cotton Control Order 1986***

The Cotton (Control) Order, 1986 (“**Cotton Order**”) prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulator thereunder. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

### ***Textile Development and Regulation Order, 2001 (“Textile Order”)***

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act

empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### ***Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In cases of manufacturing for sale or storing, selling, or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

### ***Amended Technology Upgradation Fund Scheme***

The Ministry of Textiles introduced the Amended Technology Upgradation Fund Scheme (ATUFS). This scheme aims to facilitate investment, employment, productivity, quality, and import and export substitution in the textile industry. It also indirectly promotes investments in the manufacturing of machinery for textiles. It is a credit-linked subsidy scheme for capital investment in textile manufacturing under the Government of India’s Make in India and Zero Defect and Zero Effect initiatives. This scheme generates export and employment especially to women, by encouraging the garment and apparel industry and increasing India’s share in global exports. It promotes technical textiles for export and employment and improves quality and productivity by converting existing looms to better technology looms. It encourages better quality in the processing industry and check the need for the import of fabrics by the garment sector.

### ***Information Technology Act, 2000 (the “IT Act”)***

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediaries Rules”) on February 25, 2021, requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

### ***The Digital Personal Data Protection Act, 2023 (“DPDP Act”)***

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

### ***Cotton Bales (Quality Control) Order, 2023***

The Cotton Bales (Quality Control) Order, 2023 mandates that all cotton bales produced or sold in India must adhere to the Indian Standard IS 12171:2019. This standard ensures the quality of cotton bales, requiring manufacturers to obtain certification from the Bureau of Indian Standards (BIS). The order was initially set to be enforced from August 27, 2023, but its implementation has been postponed multiple times. As per the latest amendment, the enforcement date is now extended to August 27, 2025. The postponements are largely due to challenges faced by the ginning industry, predominantly composed of Micro, Small, and Medium Enterprises (MSMEs). These enterprises have expressed concerns over the substantial investments required to upgrade machinery and processes to meet the stringent BIS standards. The extensions aim to provide these stakeholders with additional time to achieve compliance. It's important to note that the Quality Control Order does not apply to cotton bales intended for export, provided they meet the specifications required by the foreign buyer. However as per the Cotton Bales (Quality Control) Amendment Order, 2023 notified on August 13, 2024, the implementation of the order has been deferred till August 27, 2025.

## **B. STATE SPECIFIC LAWS**

### ***Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (the “Act”)***

The Act provides for the Levy and Collection of a Tax on Professions, Trades, Callings and Employments for the benefit of the State. Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes as segregated in the Act, shall be liable to pay to the State Government the tax at the rate mentioned against the class of such person. The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such person. The Act mandates that every person, who is liable to pay tax, shall obtain a Certificate of Registration, and a Certificate of Enrolment from prescribed authority in prescribed manner.

### ***Gujarat Industrial Policy 2020***

The policy aims to make Gujarat as an attractive “Total Business Destination” expedites the overall country’s economic growth, thereby increasing the standard of living and prosperity among the people of Gujarat by giving them the opportunity for skilled employment and availability of nurtured enterprise. This policy of Gujarat is a framework than a detailed blueprint, aimed at defining the broad contours of the government’s mission towards augmenting the industrial development of the state. Further there was promotion of Cluster Development in State. Clusters are geographic concentrations of competing and collaborating firms that tend to speed up economic

development in an area by improving competitiveness, developing synergies and introducing innovation especially in the MSME sector.

‘Make in India’ initiative launched by Government of India aims at enhancing manufacturing through investment, innovation and best-in-class infrastructure. Gujarat has been successfully contributing to the initiative’s objective of transforming India into a global design and manufacturing hub supported by conducive infrastructure and ease of doing business. The State Government has also introduced notable reforms in order to create a conducive business environment in the state.

Being an industrialized state, Gujarat needs to have a strategy which can support industrialization through higher value addition. There is a provision for financial assistance proposed in the New Industrial Policy which is as follows:

- a) Assistance will be subject to preparation of a Comprehensive Development Plan for 5 years by the project cluster group
- b) Pecuniary assistance to nodal institutions/hiring of experts
- c) Clusters will be eligible for financial assistance as available under the Scheme of Critical Infrastructure.

The policy aims at enhancing competitiveness in MSME sector. The state has witnessed strong growth in the sector and envisages strengthening the sector and making it more technology driven. To motivate the entrepreneurs the Gujarat government will constitute separate awards for MSMEs. The use of Enterprise Resource Planning System (ERPS) will be encouraged in the sector.

#### ***Gujarat Shops and Establishment Act, 2019***

The Gujarat Pradesh Shops and Establishments Act, 2019 and Rules, 2020 are applicable to all the shops and commercial establishments in the whole of the Gujarat State. The Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

#### ***Gujarat Fire Prevention and Life Safety Measures Act, 2013***

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 was enacted to make effective provisions for the fire prevention, safety and protection of life and property, in various types of buildings and temporary structures or shamiyana or tents or mandap likely to cause a risk of fire in different areas in the State of Gujarat and for matters connected therewith or incidental thereto.

### **C. INTELLECTUAL PROPERTY LAWS**

Intellectual property rights refer to the general term for intangible, intellectual, industrial property rights through patents, copyrights and trademarks and includes geographical indications, trade secrets, and confidential information. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.

#### ***The Copyright Act, 1957***

The Copyright Act, 1957, along with the Copyright Rules, 2013 (“Copyright Laws”) governs copyright protection in India. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the

public, performance, or exhibition in public, making a translation of the work, making an adaptation of the work, and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

#### ***The Trademarks Act, 1999 (the “Trademarks Act”)***

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

#### ***D. TAX LAWS***

##### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

##### ***Goods and Service Tax Act, 2017***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

##### ***Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made there under. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the



assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### ***State Tax on Profession, Trades, Callings and Employment Rules, 1975***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **E. ENVIRONMENTAL LAWS**

### ***Environment (Protection) Act, 1986 (“Environment Act”) and the Environment (Protection) Rules, 1986 (“Environment Rules”)***

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or 112 permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe the standards of quality of air, water or soil for various areas:

- the maximum allowable limits of concentration of various environmental pollutants for different areas;
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents; and
- the procedures and safeguards for extracting and utilizing ground water.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form.

### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one central pollution control board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

### ***Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Such person also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### ***The Environmental Impact Assessment Notification, 2006 (The “Notification”)***

As per the Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022' and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) as amended by the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022***

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.

***The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)***

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

***National Environmental Policy, 2006***

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **F. FOREIGN TRADE REGULATIONS**

### ***The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("FTA")***

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the Export-Import ("EXIM") Policy.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("IEC") granted by the Director General of Foreign Trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority.

### ***Foreign Investment Laws***

Foreign investment in India is governed by the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the FEMA Rules and Consolidated FDI Policy (effective October 15, 2020), 100% foreign direct investment is permitted in single brand product retail trading sector, under the automatic route, subject to certain conditions specified thereunder. Further, in the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. In terms of the FEMA Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together with effect from April 1, 2020, will be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%), unless reduced by way of passing a special resolution.

### ***Foreign Trade Policy***

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP. Under the Foreign Trade (Development and Regulation) Act, 1992, the Central Government is empowered to periodically formulate the Export Import Policy (the —EXIM Policy) and amend it thereafter whenever it deems fit. All exports and imports must be in compliance with the EXIM Policy. The major schemes available are the Duty Exemption and Remission Scheme and the Export Promotion of Capital Goods (—EPCGI) Scheme. The Duty Exemption Scheme enables duty free imports of inputs required for the production of exports by obtaining an advance license. The Duty Remission Scheme enables post export replenishment/remission of duty on inputs used in the export product. This scheme consists of a Duty Free Import Authorisation Scheme (—DFIA), the Duty Drawback Scheme (—DBKI) and the Duty Entitlement Pass Book (the —DEPB). DFIA enables duty free replenishment of inputs used in manufacture of exports. Under the DEPB Scheme, exporters on the basis of notified entitled rates are granted duty credit, which would entitle them to import goods, except capital goods, without duty.

### ***Importer exporter code***

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("DGFT") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is

authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

## **G. EMPLOYMENT RELATED LAWS**

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been provided below:

### ***The Code on Wages, 2019***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW

Act”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

#### ***Factories Act, 1948***

The Factories Act, 1948 (the “Factories Act”) regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the ‘Occupier’ (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc. The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license. Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively. The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

#### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the “Act”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the ‘Scheduled Industries’ which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act. The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors. In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees’ (Provident Fund and Miscellaneous Provision) Act, 1952.

#### ***Industrial Employment (Standing Orders) Act, 1946***

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

#### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)***

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application

to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

***Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)***

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. ***The Employees Provident Fund Scheme:*** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- ii. ***The Employees’ Pension Scheme:*** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.

## **H. GENERAL CORPORATE AND OTHER ALLIED LAWS**

***The Companies Act, 2013/1956***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has issued its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty-Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

***The Competition Act, 2002***

The Competition Act, 2002 is a law in India that aims to: Promote competition in markets, Protect consumer interests, Ensure freedom of trade, Prevent practices that harm competition, and Promote economic development.

The act was passed by Parliament in 2002 and took effect on September 1, 2009. It replaced the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act). The act prohibits: Anti-competitive agreements; Abuse of dominant position by enterprises; Combinations (mergers, amalgamations, and acquisitions) that could have an adverse effect on competition. The act also established the: Competition Commission of India and Competition Appellate Tribunal.

***Code of Civil Procedure, 1908***

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object

of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### ***Bhartiya Nyaya Sanhita, 2023***

This act supersedes the Indian Penal Code, 1860, this comprehensive legal framework addresses various facets of criminal law, including offenses, penalties, defenses, and procedural guidelines. The Bhartiya Nyaya Sanhita Act largely retains provisions from the Indian Penal Code, 1860, but also introduced new offences including but not limited to cybercrimes, environmental violations, and removed invalidated offences that were earlier there, and enhances penalties for certain offences. Notably, community service replaced the sedition as a form of punishment and terrorism is also explicitly recognizes as an offence. The Bhartiya Nyaya Sanhita Act streamlines legal procedures, ensuring faster trials and emphasizes on witness protection and evidence collection.

This act superseded the Indian Evidence Act, 1872, this act modernizes evidence handling within the Indian legal system, addressing digital evidence and other contemporary issues. This act focuses on procedural aspect of law, governing how rights may be enforced before a court of law. This act introduces changes related to electronic evidence definitions and admissibility procedures. This act received presidential assent on December 25, 2023 and came into effect from July 01, 2024, this act has omitted certain terms which were earlier present in the Indian Evidence Act and the major change was to include electronic evidence as part of the definition of documentary records and also included the possibility of giving oral evidence electronically.

### ***Bhartiya Nagrik Suraksha Sanhita Act, 2023***

This act superseded the Code of Criminal Procedure, 1973 and became the main legislation on procedure for administration of substantive criminal law in India, this act received assent from the president of India on December 25, 2023 and came into effect from July 01, 2024. The Bhartiya Nagrik Suraksha Sanhita Act, introduces specific timelines for investigation and trial, ensures timely FIR registration for complaints submitted through electronic communication, mandates forwarding medical examination reports of rape victims within seven days, and empowers courts to conduct trial in absentia against proclaimed offenders. Additionally, the Act emphasizes prompt judgment pronouncement and requires audio-video recording of search and seizure during investigations. Notably, proceeds of crime can be attached by the court and distributed among victims. The Bhartiya Nagrik Suraksha Sanhita Act aims to expedite proceedings and enhance transparency in the criminal justice system.

### ***Bhartiya Sakshya Adhiniyam, 2023***

This act superseded the Indian Evidence Act, 1872, this act modernizes evidence handling within the Indian legal system, addressing digital evidence and other contemporary issues. This act focuses on procedural aspect of law, governing how rights may be enforced before a court of law. This act introduces changes related to electronic evidence definitions and admissibility procedures. This act received presidential assent on December 25, 2023, and came into effect from July 01, 2024, this act has omitted certain terms which were earlier present in the Indian Evidence Act and the major change was to include electronic evidence as part of the definition of documentary records and also included the possibility of giving oral evidence electronically.

### ***Prevention of Money Laundering Act, 2002***

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimise the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

### ***Limitation Act, 1963***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5<sup>th</sup> of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, ‘period of limitation’ means the period of limitation prescribed for any suit, appeal or application by the Schedule, and ‘prescribed period’ means the period of limitation computed in accordance with the provisions of this Act.

#### ***Arbitration & Conciliation Act, 1996***

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

#### ***Negotiable Instruments Act, 1881***

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

#### ***Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

#### ***The Energy Conservation (Amendment) Act, 2022***

The Energy Conservation Act, 2001 was enacted to provide for efficient use of energy, its conservation and for matters connected therewith and/ or incidental thereto. The amended Act provides for regulation of energy consumption by equipment, appliances, vehicles, vessels, industrial units, buildings or establishments that consume, generate, transmit or supply energy. With special focus on promotion of new and renewable energy and the National Green Hydrogen Mission, the amendment seeks to (i) facilitate the achievement of “Panchamrit” — the five nectar elements presented by India in COP-26 (Conference of Parties -26) in Glasgow 2021.

In addition to facilitating the achievement of ‘Panchamrit’, the amended Act aims to promote renewable energy and develop the domestic carbon market to combat climate change and introduce new concepts such as carbon trading and mandate the use of non-fossil sources to ensure faster decarbonisation and help achieve sustainable development goals in line with the Paris Agreement and various other actions related to climate change.

### **I. OTHER LAWS**

#### ***Municipality Laws***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to



implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

#### ***Police Laws***

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

#### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations

## HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated under the name Milan Ginning Pressing Private Limited, pursuant to a certificate of incorporation dated April 25, 1995 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in their meeting held on April 1, 2024 and by the Shareholders in an Extraordinary General Meeting held on April 12, 2024 and a fresh certificate of incorporation dated June 21, 2024 was issued by the Registrar of Companies, Central Processing Centre. Consequent to the conversion of our Company, the name of our Company was changed to '*Milan Ginning Pressing Limited*'. The corporate identification number of our Company is U17119GJ1995PLC025604.

### Change in registered office of our Company

The registered office of our Company at the time of incorporation was situated at Bhalgamda Gate, Limbdi, Dist. Surendranagar – 363 421, Gujarat, India. The details of changes made to our Registered Office post incorporation of our Company are provided below:

S. No.	Effective date of change	Details of change	Reason(s) for change
1.	January 1, 2024	The registered office of our company was changed from Bhalgamda Gate, Limbdi, Dist. Surendranagar - 363 421, Gujarat, India to Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India.	Administrative Convenience

### Main Objects of our Company

The main objects of our Company are as follows:

- To carry on business of ginning, pressing, processing, cleaning, spinning, weaving, crushing, buying, selling, agents, dealers, traders, consigners, manufacturers, representative, deal and trade in all kinds, types and sizes of cotton, cotton seeds and its related products, whether from domestic, commercial industrial purpose/use in many part of India or abroad. Subject to the provisions of law.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Offer.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
July 25, 2022	<i>Clause V of the MoA was amended to reflect an increase in the Authorised Capital of our Company from ₹ 6,00,00,000 divided into 60,00,000 Equity Shares of face value of ₹ 10/- each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of face value of ₹ 10/- each.</i>
February 29, 2024	<i>Clause V of the MoA was amended to reflect an increase in the Authorised Capital of our Company from ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of face value of ₹ 10/- each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of face value of ₹ 10/- each.</i>
February 29, 2024	<i>Adoption of new set of Memorandum of Association as per Companies Act, 2013.</i>
April 12, 2024	<i>Our Company was converted into a public limited company and consequently the name of our Company was changed to 'Milan Ginning Pressing Limited'. Accordingly, Clause I of the MoA was amended to reflect the name of our Company, post its conversion.</i>

### 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 "*Business Overview*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 174, 218 and 243 respectively, of this Draft Red Herring Prospectus.

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation:

Year	Events
1995	Our company installed 24 manual Double Roller (DR) ginning machines, which are used to separate cotton fibres from the seeds.
2002	Our company replaced 24 manual Double Roller (DR) ginning machines with 24 automated DR machines to keep up with technical advancements and market demands and additionally, purchased 6 more automated DR machines.
2004	The Company was recognised by Ministry of Textiles, Government of India through Mini Mission IV of the technology Mission on Cotton owing to the modern machines and infrastructure of the Company.
2006	Our Company further expanded its business by installing 18 new Automatic DR machines and built Ginning Shed for safeguarding its quality and quantity of finished product in the year 2006.
2011	Recognizing the potential of cottonseed by-products, our company established K R Solvent Partnership Firm in 2011, which was later converted into a Limited Liability Partnership (LLP) in 2018. K R Solvent LLP primarily manufactures Cotton Seed Oil and De-Oil Cake (used as cattle feed). On March 22, 2024, K R Solvent LLP became a subsidiary of our Company.
2013	The Company was awarded 3 star rating by Textile Committee on the basis of the assessment undertaken by Ministry of Textiles, Government of India.
2023	Our company installed a rooftop solar plant with a capacity of 0.6 MW, made by Soleos. The system is set up with net metering, to help reduce the electricity bills for the plant by allowing excess power to be sent back to the grid.
2023	Our Company installed a windmill plant with a capacity of 2.1 MW, made by Inox Wind Ltd., to generate electricity using wind power.

### Awards and Accreditations

The table below sets forth some of the key awards received by our Company in its history since its incorporation:

Year	Events
2004	Our Company received a certificate from Technology Mission on Cotton (TMOC), Ministry of Textiles, Government of India, for modernized Ginning and Pressing Unit with financial assistance from the Government of India's Technology Mission on Cotton (TMOC) in 2003-2004, enabling production of high-quality cotton bales.
2010	Our Company was awarded with a Three Star Rating by the Textiles Committee, Ministry of Textiles, Government of India, recognizing our Company's commitment to quality and industry excellence.
2013	Our Company got registered as a BCI Cotton certified manufacturer in India.
2014	Our Company received a Token of Appreciation for supporting the successful organization of GLANCE 2014, the Global Animal Nutrition Conference.

Year	Events
2022	Our Company received OEKO-TEX Organic Cotton Certification for its Indian-sourced, GMO-free, 100% organic cotton yarn and the right to use the trademark.

### Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

### Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of date of this Draft Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Except as stated below, our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years:

***Supplementary LLP Agreement dated July 31, 2020 (“Supplementary Deed 1”), read with second supplementary agreement dated March 22, 2024 (“Supplementary Deed 2”) and third supplementary agreement dated October 10, 2024 (“Supplementary Deed 3”) executed between Mohammadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh, nominee of our Company (“Partners”) (hereinafter referred to as the “Supplementary LLP Agreement”).***

MAH Textiles LLP was set up pursuant to a limited liability partnership deed dated May 1, 2017 executed between Mohammadhasnein Husenali Narsinh and Husenali Yusufali Narsinh. A brief summary of the supplementary agreements executed to amend the limited liability partnership deed dated May 1, 2017 have been provided below:

Pursuant to Supplementary Deed 1, the capital contribution made by the partners in the LLP was fixed as ₹325.00 Lakhs. Pursuant to the Supplementary Deed 2, our Company through its nominee Minajbanu Husenali Narsinh, was introduced as a partner in the LLP, and consequently, the profit sharing was redistributed, whereby Mohammadhasnein Husenali Narsinh and Husenali Yusufali Narsinh transferred a part of their profit holding to Minajbanu Husenali Narsinh, in the capacity of a nominee of our Company. Consequent to such redistribution our Company through its nominee held 90% share in LLP. The remaining partners, namely, Mohammadhasnein Husenali Narsinh and Husenali Yusufali Narsinh, each held 5% share in the LLP.

Accordingly, pursuant to the Supplementary Deed, the LLP became a partly owned subsidiary of our Company, and our Company became the designated partner of the said LLP.

Lastly, pursuant to the Supplementary Deed 3, the business undertaken by the LLP was changed from trading of Cotton yarns and bales to manufacturing, processing, commissioning, import/export, and supply various textile products.

***Supplementary LLP Agreement dated July 28, 2020 (“Supplementary Deed 1”), read with second supplementary agreement dated December 20, 2023 (“Supplementary Deed 2”), third supplementary agreement dated March 22, 2024 (“Supplementary Deed 3”), fourth supplementary agreement dated October 9, 2024 (“Supplementary Deed 4”) and fifth supplementary agreement dated November 6, 2024 (“Supplementary Deed 5”), executed between Mohammadhasnein Husenali Narsinh, Husenali Yusufali Narsinh, Minajbanu Husenali Narsinh, Minajbanu Husenali Narsinh, nominee of our Company and Jamani Mehvis Mehndihasan (“Partners”) (hereinafter referred to as the “Supplementary LLP Agreement”).***

M/s K R Solvent LLP (the “LLP”) was set up pursuant to a limited liability partnership deed dated March 21, 2018 executed between Mohammadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh. A brief summary of the supplementary agreements executed to amend the limited liability partnership deed dated March 21, 2018 have been provided below:

Pursuant to Supplementary Deed 1, the borrowing powers of the partners were fixed. Pursuant to the Supplementary Deed 2, the profit sharing between the partners was finalised whereby, Husenali Yusufali Narsinh held 33.34% share, Mohammadhasnein Husenali Narsinh and Minajbanu Husenali Narsinh, each held 33.33% share in the LLP.

Pursuant to the Supplementary Deed 3, the *erstwhile* Partner of the LLP, namely, Minajbanu Husenali Narsinh retired from her respective position and Minajbanu Husenali Narsinh, was appointed as a designated partner in the capacity of a nominee of our Company in the LLP. Further, a portion of the profit shares of Mohmmadhasnein Husenali Narsinh and Husenali Yusufali Narsinh, was transferred to Minajbanu Husenali Narsinh, in the capacity of a nominee of our Company.

Accordingly, pursuant to the Supplementary Deed, the LLP became a partly owned subsidiary of our Company, and our Company became the designated partner of the said LLP.

Pursuant to the Supplementary Deed 4, the Partner of the LLP, namely, Mohmmadhasnein Husenali Narsinh retired from his respective position and Narsinh Fatema Mohmadhasnein was admitted as a new partner in the LLP. Consequent to such redistribution our Company through its nominee held 90% share in LLP. The remaining partners, namely, Narsinh Fatema Mohmadhasnein and Husenali Yusufali Narsinh, each held 5% share in the LLP and the business undertaken by the LLP was changed from manufacturing of textiles and Cotton seed oil to manufacturing of *inter alia*, cakes, cotton wash oil, linters, and cotton hulls from cotton seeds.

Lastly, pursuant to the Supplementary Deed 5, the *erstwhile* Partner of the LLP, namely Husenali Yusufali Narsinh retired from his respective position and Jamani Mehvis Mehndihasan, was appointed as a designated partner in the LLP. Further, Husenali Yusufali Narsinh withdrew his capital contribution and profit sharing of ₹ 37,50,000 and Jamani Mehvis Mehndihasan contributed ₹ 37,50,000 as capital contribution and profit sharing. Consequent to such redistribution our Company through its nominee held 90% share in LLP and Narsinh Fatema Mohmadhasnein and Jamani Mehvis Mehndihasan, each held 5% share in the LLP.

#### **Revaluation of assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

#### **Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

#### **Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company have two subsidiaries, K R Solvent LLP and MAH Textiles LLP, details of which have been stated in “*Our Subsidiaries*” on page 238 of this Draft Red Herring Prospectus.

#### ***Business interest of our Subsidiaries in the Company***

Our Subsidiaries do not have any interest in our Company’s business, other than as stated in “*Summary of the Offer Document – Related Party Transactions*” and “*Financial Information*”, on pages 22 and 241, respectively.

#### ***Common pursuits***

Our company has common pursuits with our subsidiaries and our group companies as stated in “our subsidiary” and “Information with respect to group companies” on pages 238 and 279, respectively.

#### **Associate or Joint ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate or joint ventures.

#### **Strategic and Financial Partners**

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

#### **Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

#### **Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

Except as stated in “*Financial Indebtedness*” on page 260 of this Draft Red Herring Prospectus, our Promoters, who are also the Promoter Selling Shareholder in this Offer, have not given any guarantees on behalf of our Company.

**Material Agreements**

The Company confirms that, there are no other agreements and clauses / covenants which are material and which need to be disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders.

The Company further confirms that as per the Articles of Association (‘**AoA**’) of the Company as amended from time to time, there are no articles/provisions in the AoA enabling a person to exercise or be entitled to any special rights of any nature.

**Other Agreements**

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

## OUR MANAGEMENT

### OUR BOARD OF DIRECTORS

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). As on date of this Draft Red Herring Prospectus, we have 5 (five) Directors on our Board, which includes one (1) Managing Director, one (1) Whole Time Director, one (1) Non-Executive Director and two (2) Independent Directors out of which one (1) is the Woman Independent Director of our Company.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Mohammadhasnein Husenali Narsinh</b>  DIN: 00082026  Date of Birth: July 8, 1986  Designation: Chairman and Managing Director  Address: Bhalgamda Gate, Near Bharat Mill, Near Jain Society, NH-8 A, Limbdi, Surendranagar, Gujarat, 363421 India.  Occupation: Business  Term: For a period of five (5) years with effect from June 22, 2024.  Period of Directorship: Director since November 21, 2005  Nationality: Indian	39	<i>Companies</i> <ul style="list-style-type: none"> <li>Sustainable Spinning and Commodities Private Limited; and</li> <li>Sustainable Smart Wear Private Limited</li> <li>Pratham Paper Products Private Limited (Striked off)</li> </ul> <i>LLP</i> <ul style="list-style-type: none"> <li>Sustainable Knitting LLP</li> <li>MAH Textiles LLP</li> </ul>
<b>Husenali Yusufali Narsinh</b>  DIN: 00102874  Date of Birth: December 4, 1957  Designation: Whole-Time Director  Address: Bhalgamda gate, near Bharat Mill, Near Jain Society, NH- 8 A, Limbdi, Surendranagar, Gujarat, India - 363 421  Occupation: Business  Term: For a period of five (5) years with effect from January 21, 2025.	67	<i>Companies</i> <ul style="list-style-type: none"> <li>Sustainable Spinning and Commodities Private Limited</li> </ul> <i>LLP</i> <ul style="list-style-type: none"> <li>MAH Textiles LLP</li> </ul>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Period of Directorship: Director since incorporation</p> <p>Nationality: Indian</p>		
<p><b>Minajbanu Husenali Narsinh</b></p> <p>DIN: 00084661</p> <p>Date of Birth: October 15, 1961</p> <p>Designation: Non-Executive Director</p> <p>Address: Bhalgamda gate, near Bharat Mill, Near Jain Society, NH- 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.</p> <p>Occupation: Business</p> <p>Term: Liable to retire by rotation</p> <p>Period of Directorship: Appointed as Non-Executive Director on June 22, 2024</p> <p>Nationality: Indian</p>	63	<p><i>Companies</i></p> <ul style="list-style-type: none"> <li>• Sustainable Spinning and Commodities Private Limited; and</li> <li>• Sustainable Smart Wear Private Limited</li> </ul> <p><i>LLP</i></p> <ul style="list-style-type: none"> <li>• K R Solvent LLP; and</li> <li>• MAH Textiles LLP (as nominee of our Company)</li> </ul>
<p>Khushi Giriraj Laddha</p> <p>DIN: 10597406</p> <p>Date of Birth: July 3, 2000</p> <p>Designation: Independent Director</p> <p>Address: E-102, Vaibhav Apartment, Vibhag - 2 Near Police Commissioner office, Shahibaug, Ahmadabad, Gujarat, India– 380 004</p> <p>Occupation: Professional</p> <p>Term: For a period of five years with effect from June 22, 2024</p> <p>Period of Directorship: Director since June 22, 2024</p> <p>Nationality: Indian</p>	24	<p><i>Companies</i></p> <p>Nil</p> <p><i>LLP</i></p> <p>Nil</p>
<p><b>Priyank Shirishbhai Shah</b></p>	43	<p><i>Companies</i></p> <p>Nil</p>



Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
DIN: 06967625  Date of Birth: September 29, 1981  Designation: Independent Director  Address: 11, Sakar Bunglows, Nr. Mani Ratnam Bunglows, Vasna, Ahmadabad, Gujarat, India-380 007  Occupation: Professional  Term: For a period of five years with effect from June 22, 2024  Period of Directorship: Director since June 22, 2024  Nationality: Indian		<i>LLP</i> Nil

#### BRIEF PROFILES OF OUR DIRECTORS

**Mohmmadhasnein Husenali Narsinh**, aged 39 years, is one of the Promoters, Chairman and Managing Director of our Company. He attended Gujarat University to pursue bachelor's degree in Business Administration. He has an experience of more than nineteen years in cotton and textile industry. Presently, he oversees overall operation and market division of our Company. He has been associated with our Company since November 21, 2005 in the capacity of an Executive Director and since June 22, 2024 in the capacity of Managing Director of our Company.

**Husenali Yusufali Narsinh**, aged 67 years, is one of the Promoters and Whole Time Director of our Company. He attended Saurashtra University to pursue pre-university arts (regular). He has an experience of more than twenty-nine years in organic cotton industry. Presently, he oversees day-to-day business transactions of our Company and has been associated with our Company since incorporation.

**Minajbanu Husenali Narsinh**, aged 63 years, is one of the Promoters and Non-Executive Director of our Company. She is under matriculated and has an experience of more than twenty-nine years of business administration and management and has been associated with our Company since September 14, 1995 in the capacity of Promoter and Executive Director and since June 22, 2024 in the capacity of our Non-Executive Director.

**Khushi Giriraj Laddha**, aged 24 years, is an Independent Director of our Company. She holds a bachelor's degree in law from Gujarat University and a master's degree in Law from O.P. Jindal Global University. She also holds a post graduate diploma in business management (international trade) from NMIMS Deemed-to-be University. She also completed distance learning general course on Intellectual Property from WIPO Academy. In the past, she was associated with KPSJ & Associates LLP in the capacity of chief analyst. She has an experience of more than three years in corporate governance, insolvency & restructuring, trademarks, and general corporate advisory. She has been associated with our Company since June 22, 2024.

**Priyank Shirishbhai Shah**, aged 43 years, is an Independent Director of our Company. He holds a bachelor's and master's degree in commerce from Gujarat University. He is a fellow member of the Institute of Chartered Accountants of India. He is presently associated with M/s A K G V G & Associates, in the capacity of a partner since December 14, 2010. He has an experience of more than fourteen years in financial auditing and consulting segments. He has been associated with our Company since June 22, 2024.

#### CONFIRMATIONS-

##### As on the date of the Draft Red Herring Prospectus

1. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.

2. Neither Promoters or selling shareholders nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
3. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
4. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.
5. None of Promoters or Directors of our Company are a fugitive economic offender.
6. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
7. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge- sheeted with serious crimes like murder, rape, forgery, economic offence.

## **RELATIONSHIP BETWEEN OUR DIRECTORS**

Except as disclosed below, none of our Director(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013:

<b>Name of Director</b>	<b>Designation</b>	<b>Relation</b>
Mohmmadhasnein Husenali Narsinh	Chairman and Managing Director	Son of our Whole Time Director and Promoter - Husenali Yusufali Narsinh and Non-Executive Director and Promoter - Minajbanu Husenali Narsinh
Husenali Yusufali Narsinh	Whole Time Director	Father of our Managing Director and Promoter - Mohmmadhasnein Husenali Narsinh and Husband of our Non-Executive Director and Promoter - Minajbanu Husenali Narsinh
Minajbanu Husenali Narsinh	Non-Executive Director	Mother of our Managing Director and Promoter - Mohmmadhasnein Husenali Narsinh and Wife of our Whole Time Director and Promoter - Husenali Yusufali Narsinh

## **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS**

None of our Key Managerial Personnel, Senior Management or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of the directors was selected as a director or member of senior management.

We confirm that there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company, Key Managerial Personnel and Directors.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

## **SERVICE CONTRACTS**

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

## **BORROWING POWERS**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Shareholders have pursuant to a special

resolution passed at the Extra Ordinary General Meeting held on January 21, 2025, authorised our Board of Director or any committee thereof, to borrow from time to time, by way of loans, credit facilities, debt instruments or in any other forms, any such sum or sums of money (either Indian or foreign currency) from banks, financial institutions, bodies corporate, companies, firms or any one or more persons on such terms and conditions and with or without security, notwithstanding that monies to be borrowed together with monies already borrowed by our Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount so borrowed (other than temporary loans from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹ 15,00,00,00,000 lakhs.

## **TERMS OF APPOINTMENT OF OUR DIRECTORS**

### ***Terms of appointment of our Managing Director and Chairman Mr. Mohmmadhasnein Husenali Narsinh.***

Pursuant to a resolution passed by the Board of Directors at the meeting held on June 22, 2024, and approved by the Shareholders of our Company at the EGM held on June 26, 2024, Mohmmadhasnein Husenali Narsinh was appointed as the Managing Director of our Company for a period of five (5) years with effect from June 22, 2024, and his terms of remuneration, were revised in the EGM held on January 20, 2025, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms of remuneration of our Managing Director have been summarized below:

<b>Basic Salary</b>	₹ 4,00,000/- (Rupees Four Lakh only) per month
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>• Contribution to provident fund, superannuation fund or annuity fund.</li> <li>• Gratuity payable as per company policy.</li> <li>• Encashment of leave at the end of the tenure.</li> <li>• Reimbursement of medical and hospitalization expenses for the Director and their family as per company policy.</li> <li>• Bonus for the financial year, at the discretion of the company.</li> <li>• Reimbursement of expenses incurred on account of business of the company in accordance with company policy.</li> <li>• Provision of chauffeur-driven car for company's business and telephone at residence.</li> </ul>
<b>Minimum Remuneration</b>	The remuneration payable to the Managing Director and shall be paid in excess of the limits specified in Section II of part II of Schedule V of the Companies Act 2013.

### ***Terms of appointment of our Whole-Time Director Mr. Husenali Yusufali Narsinh.***

Pursuant to a resolution passed by the Board of Directors at the meeting held on January 20, 2025 and approved by the Shareholders of our Company at the EGM held on January 21, 2025, Husenali Yusufali Narsinh was appointed as the Whole Time Director of our Company for a period of five (5) years with effect from January 21, 2025, and his terms of remuneration, including his salary, allowances and perquisites were approved in accordance with the provisions of Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms of remuneration of our Whole Time Director have been summarized below:

<b>Basic Salary</b>	₹ 4,00,000/- (Rupees Four Lakh only) per month
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>• Contribution to provident fund, superannuation fund or annuity fund.</li> <li>• Gratuity payable as per company policy.</li> <li>• Encashment of leave at the end of the tenure.</li> <li>• Reimbursement of medical and hospitalization expenses for the Director and their family as per company policy.</li> <li>• Bonus for the financial year, at the discretion of the company.</li> <li>• Reimbursement of expenses incurred on account of business of the company in accordance with company policy.</li> </ul>

	<ul style="list-style-type: none"> <li>Provision of chauffeur-driven car for company's business and telephone at residence.</li> </ul>
<b>Minimum Remuneration</b>	The remuneration payable to the Executive Director and shall be paid in excess of the limits specified in Section II of part II of Schedule V of the Companies Act 2013.

Remuneration paid to our Executive Directors during the Fiscal 2024:

(₹ in Lakhs)

S. No.	Name of the Director	Remuneration
1.	Mohmmadhasnein Husenali Narsinh	Nil
2.	Husenali Yusufali Narsinh	5.97
3.	Minajbanu Husenali Narsinh <sup>(1)</sup>	Nil
4.	Narsinh Fatema Mohmadhasnein <sup>(2)</sup>	3.00
5.	Jamani Mehvis Mehndihasan <sup>(3)</sup>	3.00

<sup>(1)</sup> Minajbanu Husenali Narsinh was earlier appointed as Executive Director of our Company with effect from September 14, 1995. However, her designation was changed from Executive Director to Non-Executive with effect from June 22, 2024.

<sup>(2)</sup> Resigned from the post of Director with effect from March 27, 2024.

<sup>(3)</sup> Mehvis was appointed as Non- executive director on September 30, 2022. Later she resigned from the post of Director with effect from March 27, 2024. Further refer to Risk factor on page no 28

## SITTING FEES

The payment of sitting fees to the Non-Executive Director and Independent Directors of the Company for attending the meeting of the Board of Directors and meetings of the Committees of the Board of Directors in following manner:

(₹ in Lakhs)

S. No.	Name of the Director	Sitting Fees
1.	Khushi Giriraj Laddha	0.80
2.	Priyank Shirishbhai Shah	0.80
3.	Minajbanu Husenali Narsinh	0.80

Our Board of Directors in their meeting held on June 22, 2024 have fixed ₹ 80,000/- per annum as sitting fee for Independent Directors and Non-Executive Directors, for attending meetings of the Board of Directors and its committees.

## PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

## REMUNERATION PAID TO OUR DIRECTORS BY OUR SUBSIDIARY

None of our Directors have been paid any remuneration or sitting fees from our Subsidiaries, including contingent or deferred compensation accrued for the year during Fiscal 2023.

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Except as stated below, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	Number of Equity Shares of face value of ₹ 10 each	% of the pre-Offer Equity Share Capital
1.	Mohammadhasnein Husenali Narsinh	56,17,500	34.00
2.	Husenali Yusufali Narsinh	56,16,975	34.00
3.	Minajbanu Husenali Narsinh	33,07,500	20.02

\* Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

#### SHAREHOLDING OF DIRECTORS IN OUR SUBSIDIARY

As on date of this Draft Red Herring Prospectus, our Company has two LLPs as subsidiaries-

Directors	MAH Textiles LLP	K R Solvent LLP
Mohammadhasnein Husenali Narsinh	5%	-
Husenali Yusufali Narsinh	5%	-
Minajbanu Husenali Narsinh as Nominee of Milan Ginning Pressing Limited	90%	90%

#### INTEREST OF OUR DIRECTORS

Our Managing Director & Whole Time Director may be interested to the extent of remuneration paid to them, respectively for services rendered as Director of our Company and reimbursement of expenses payable to them. For details, please refer “Terms and conditions of employment of our Managing Director and Whole Time Director and Non- Executive Director” above. Further Non-executive Director, all our Independent Directors may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof. The Independent Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board and may be regarded as interested to the extent of such sitting fees and reimbursement of other expenses payable to them as per their terms of appointment.

Our Directors, Mohammadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh may also be interested to the extent of Equity Shares, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Offer. Except as disclosed in “**Financial Information**” and “**Our Promoters and Promoter Group**” beginning on pages 241 and 233 respectively of this Draft Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

#### Interest in promotion of our Company

Except Mr. Mohammadhasnein Husenali Narsinh, Mr. Husenali Yusufali Narsinh and Mrs. Minajbanu Husenali Narsinh none of our directors have any interest in the promotion or formation of our Company as of the date of this Draft Red Herring Prospectus.

#### Interest in the property of our Company

Our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

#### Interest as creditor of our Company

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “Statement of Financial Indebtedness” and heading titled “Related Party Transactions” under chapter titled “Financial Statements as Restated” on page 260 and 241 our Company has not availed loans from Directors of our Company

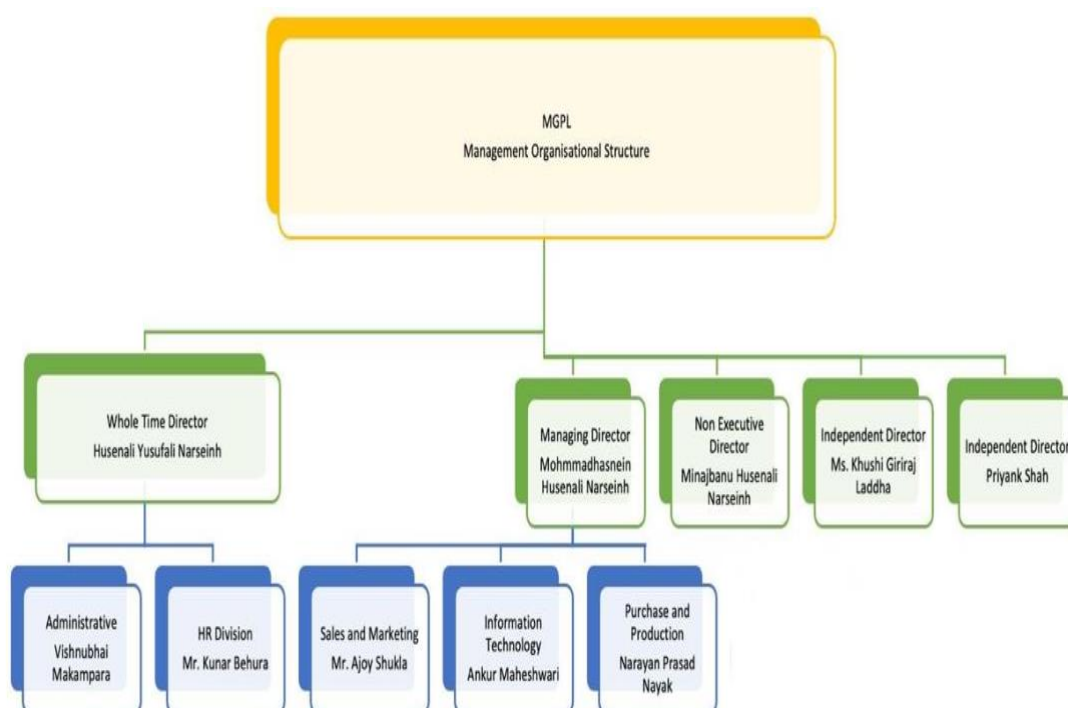
#### CHANGES IN OUR BOARD DURING THE LAST THREE YEARS

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment/ change in designation/cessation	Designation (at the time of appointment / change in designation / cessation)	Reasons for Changes
Jamani Mehvis Mehndihasan	September 30, 2022	Non-Executive Director	Regularised as Non-Executive Director
Jamani Mehvis Mehndihasan	March 27, 2024	Non-Executive Director	Resignation from the post of Non-Executive Director
Narsinh Fatema Mohmadhasnein	March 27, 2024	Executive Director	Resignation from the post of Executive Director
Mohmmadhasnein Husenali Narsinh	June 22, 2024	Managing Director	Designated as the Chairman and Managing Director
Minajbanu Husenali Narsinh	June 22, 2024	Non-Executive Director	Change in designation from Executive Director to Non-Executive Director
Khushi Giriraj Laddha	June 22, 2024	Independent Director	Appointed as Additional (Independent) Director*
Priyank Shirishbhai Shah	June 22, 2024	Independent Director	Appointed as Additional (Independent) Director*
Khushi Giriraj Laddha	June 26, 2024	Independent Director	Regularised as Independent Director
Priyank Shirishbhai Shah	June 26, 2024	Independent Director	Regularised as Independent Director
Husenali Yusufali Narsinh	January 21, 2025	Whole Time Director	Designated as Whole Time Director

## MANAGEMENT ORGANISATION STRUCTURE

Set forth is the management organization structure of our Company:



## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an Offer in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good corporate governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### **Constitution of Committees**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee;
2. Stakeholders' Relationship Committee;
3. Nomination and Remuneration Committee; and
4. Corporate Social Responsibility Committee.

Details of composition, terms of reference etc. of each of these committees are as follows:

#### **1. Audit Committee**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on June 22, 2024 constituted the Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Priyank Shirishbhai Shah	Chairman	Independent Director
Mohammadhasnein Husenali Narsinh	Member	Chairman and Managing Director
Khushi Giriraj Laddha	Member	Independent Director

### **Meetings of Audit Committee and Quorum**

As required under Regulation 18 of SEBI (LODR) Regulations, 2018, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

### **Powers of Audit Committee**

The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. Such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

## **Role of the Audit Committee**

The role of the audit committee shall include the following:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- 2) Recommendation for 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) Formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- 5) Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- 6) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and Modified opinion(s) in the draft audit report.
- 7) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 8) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 9) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 10) Approval of any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- 11) Scrutiny of inter-corporate loans and investments;
- 12) Valuation of undertakings or assets of the company, wherever it is necessary;
- 13) Evaluation of internal financial controls and risk management systems;
- 14) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 15) 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;
- 16) Discussion with internal auditors of any significant findings and follow up there on;
- 17) 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;
- 18) 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;
- 19) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- 20) Monitoring the end use of funds raised through public offers and related matters;
- 21) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 22) Reviewing the functioning of the whistle blower mechanism;



- 23) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- 24) Such roles as may be prescribed under Companies Act, SEBI Listing Regulations and other applicable provisions.

Further, the Audit Committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) Internal audit reports relating to internal control weaknesses;
- 4) The appointment, removal and terms of remuneration of the chief internal auditor;
- 5) Statement of deviations in terms of the SEBI Listing Regulations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges) in terms of Regulation 32(1) of the SEBI Listing Regulations, and
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) the SEBI Listing Regulations.

### **Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee "Stakeholders' Relationship Committee" to redress complaints of the shareholders. The Stakeholders' Relationship Committee constituted vide resolution passed at the meeting of the Board of Directors held on June 22, 2024.

The Stakeholders' Relationship Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Priyank Shirishbhai Shah	Chairman	Independent Director
Mohammadhasnein Husenali Narsinh	Member	Chairman and Managing Director
Khushi Giriraj Laddha	Member	Independent Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

### **Tenure**

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

### **Meetings**

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

### **Role of the Stakeholders' Relationship Committee**

The role of the Stakeholders' Relationship Committee shall include the following:

- 1) Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- 2) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.;
- 3) Review of measures taken for effective exercise of voting rights by members;

- 4) Investigating complaints relating to allotment of shares, approvals of transfer or transmission of shares, debentures or any other securities;
- 5) Giving effect to all transfer /transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- 6) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- 7) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- 8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

### **Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on August 29, 2024.

The Nomination and Remuneration Committee comprises the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Priyank Shirishbhai Shah	Chairperson	Non-Executive Independent Director
Khushi Giriraj Laddha	Member	Non-Executive Independent Director
Minajbanu Husenali Narsinh	Member	Non-Executive Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

### **Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### **Meetings**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

### **Role of the Nomination and Remuneration Committee not limited to but includes:**

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of the performance of the independent directors and the Board;
- 3) Devising a policy on diversity of board of directors;
- 4) 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 of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 5) Analysing, monitoring and reviewing various human resource and compensation matters;

## Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Corporate Social Responsibility) Rules, 2014 ("the CSR Rules") and any other applicable provisions of the Act and Rules made thereunder, including any amendments thereto for the time being in force, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company ("the Board") be and is hereby constituted on June 22, 2024.

Name of the Director	Designation in the Committee	Nature of Directorship
Khushi Giriraj Laddha	Chairman	Independent Director
Priyank Shirishbhai Shah	Member	Independent Director
Husenali Yusufali Narsinh	Member	Whole Time Director

### Terms of Reference:

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

- a. To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c. To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:
  - i. the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
  - ii. the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
  - iii. the modalities of utilization of funds and implementation schedules for the projects or programs;
  - iv. monitoring and reporting mechanism for the projects or programs; and
  - v. details of need and impact assessment, if any, for the projects undertaken by the company;
- d. Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect
- e. To monitor the CSR Policy as approved by the Board from time to time.

## OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. The following are the Key Managerial Personnel of our Company.

### **Our Key Managerial Personnel**

In addition to our Chairman and Managing Director and Whole Time Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

Devendra Kumar Yadav, aged 37 years, is the Chief Financial Officer of our Company. He attended Gujarat University to pursue bachelor's degree in commerce. He also holds a master's degree in commerce from Gujarat University. In the past, he was associated with Sustainable Spinning and Commodities Private Limited, in the capacity of accounts manager. He has an experience of nine years in the accounts and finance industry. He is associated with our Company since July 1, 2024 and has not received any remuneration during Fiscal 2024.

Shah Yashesh Vijaykumar, aged 31 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce and law from Gujarat University. He is an associate member of the Institute of Company Secretaries of India. In the past, he was associated with J P Iscon Private Limited, in the capacity of assistant company secretary; and with Shelter Pharma Limited in the capacity of company secretary and compliance officer. He has an experience of more than three years in in secretarial and compliance matters. He is associated with our Company since November 23, 2024 and has not received any remuneration during Fiscal 2024.

All our Key Managerial Personnel are permanent employees of our Company.

### **Our Senior Managerial Personnel**

In addition to our Managing Director, Chief Financial Officer and Company Secretary and Compliance Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*' and '*Our Key Managerial Personnel*', set forth below are the details of our Senior Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

**Ankur Maheshwari**, aged 36 years is the Head of Information Technology of our Company. He attended Rohilkhand University to pursue bachelor's degree in commerce. In the past, he was associated with Nichetech Computer Solutions Private Limited in the capacity of senior software developer; and with **MAH Textiles LLP** in the capacity of manager – information technology department. He has an experience of more than six years in the field of information technology. He has been associated with our Company since August 1, 2024 and **has not** received any remuneration during Fiscal 2024.

**Ajoy Ramchandra Shukla**, aged 55 years is the Head of Sales and Marketing of our Company. He holds a bachelor's degree in commerce from University of Calcutta. In the past, he was associated with K R Solvent LLP in the capacity of manager – marketing department. He has an experience of more than six years in marketing management and public relations. He has been associated with our Company since August 1, 2024 and **has not** received any remuneration during Fiscal 2024.

**Kunal Behura**, aged 25 years is the Human Resource Head of our Company. He holds a bachelor's degree in science from Utkal University. In the past, he was associated with Sintex Industries Limited in the capacity of senior executive – human resource department and with Trident Limited in the capacity of manager – human resources. He has an experience of more than three years in the field of human resource. He has been associated with our Company since August 3, 2024 and has not received any remuneration during Fiscal 2024.

**Narayan Prasad Nayak**, aged 67 years is the Purchase and Production - Consultant of our Company. He holds a diploma in Textile Technology from Institute of Textile Technology, Srirampur. In the past, he was associated with Jayatma Industries Limited in the capacity of manager – spinning and production department. He has an experience of more than eighteen years in managing spinning and production department. He has been associated with our Company since August 17, 2023 and has received remuneration of ₹ 1.65 Lakhs during Fiscal 2024.

**Makampara Vishnubhai Ishwarbhai**, aged 31 years is the Head of Administration of our Company. He holds a bachelor's degree in commerce from Gujarat University. In the past, he was associated with K R Solvent LLP in the capacity of senior executive – administration department. He has an experience of more than ten years in administrative operations. He has been associated with our Company since August 1, 2024 and has not received any remuneration during Fiscal 2024.

#### **RELATIONSHIP OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except as disclosed under the heading "Relationship between our Directors none of our Key Managerial Personnel and Senior Management Personnel of our Company are related to each other or our Directors.

#### **SHAREHOLDING OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except as stated in this Draft Red Herring Prospectus, none of the Key Management Personnel and Senior Management hold shareholding in our Company.

#### **BONUS OR PROFIT SHARING PLAN OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

#### **PAYMENT OR BENEFIT TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

### **CHANGES IN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST 3 YEARS**

In addition to the changes specified under - “*Changes in our Board during the Last Three Years*”, set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
<b>SMP</b>			
Makampara Vishnubhai Ishwarbhai	Head of Administration	August 1, 2024	Appointment
Ajoy Ramchandra Shukla	Head of Sales and Marketing	August 1, 2024	Appointment
Ankur Maheshwari	Head of Information Technology	August 1, 2024	Appointment
Narayan Prasad Nayak	Purchase and Production - Consultant	August 17, 2023	Appointment
Kunal Behura	Human Resource Head	August 3, 2024	Appointment
<b>KMP</b>			
Devendra Kumar Yadav	Chief Financial Officer	July 1, 2024	Appointment
Mayank Lashkari	Company Secretary and Compliance Officer	July 1, 2024	Appointment
Shah Yashesh Vijaykumar	Company Secretary and Compliance Officer	November 23, 2024	Appointment
Mayank Lashkari	Company Secretary and Compliance Officer	November 23, 2024	Resignation
Mohmmadhasnein Husenali Narsinh	Managing Director	June 22, 2024	Appointment
Husenali Yusufali Narsinh	Whole-time Director	January 21, 2025	Appointment

The attrition of the Key Management Personnel and Senior Management is as per the industry standards.

### **EMPLOYEE STOCK OPTION SCHEME**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees



## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mohmmadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh.

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 1,45,41,975 Equity Shares, representing 88% of the Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the Capital build-up of our Promoters, see chapter titled “Capital Structure” beginning on page 86 of this Draft Red Herring Prospectus.

For details, please see “*Capital Structure – Shareholding of our Promoters*” on page 86.

The details of our Promoters are as follows:

	<p><b>Mohmmadhasnein Husenali Narsinh</b></p> <p>Mohmmadhasnein Husenali Narsinh, aged 39 years, is the Chairman and Managing Director of our Company. He resides at Near Bharat Milling Company, N.H. 8- A, Limbdi, Surendranagar – 363421 Gujarat, India.</p> <p>The Permanent Account Number of Mohmmadhasnein Husenali Narsinh is AFOPN7591Q.</p> <p>For complete profile of Mohmmadhasnein Husenali Narsinh, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “<i>Our Management</i>” on page 218.</p>
	<p><b>Husenali Yusufali Narsinh</b></p> <p>Husenali Yusufali Narsinh, aged 67 years, is the Whole Time Director of our Company. He resides at Bhalgamda gate, near Bharat Mill, Near Jain Society, NH - 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.</p> <p>The Permanent Account Number of Husenali Yusufali Narsinh is ACNPN3711E.</p> <p>For complete profile of Husenali Yusufali Narsinh, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “<i>Our Management</i>” on page 218.</p>
	<p><b>Minajbanu Husenali Narsinh</b></p>



Minajbanu Husenali Narsinh, aged 62 years, is the Non-Executive Director of our Company. She resides at Bhalgamda gate, near Bharat Mill, Near Jain Society, NH - 8 A, Limbdi, Surendranagr - 363 421, Gujarat, India.

The Permanent Account Number of Minajbanu Husenali Narsinh is AAPPN4537L.

For complete profile of Minajbanu Husenali Narsinh, along with details of her date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 218.

## DECLARATION

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, aadhaar card numbers and driving license numbers of our Promoters, shall be submitted to the Stock Exchange at the time of filing this Draft Red Herring Prospectus.

## UNDERTAKINGS/CONFIRMATIONS

- Neither our Company nor none of our Promoters, Promoter Group or Directors have been prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority;
- None of the Promoters or Directors of our Company is a promoter or director of any other company which has been prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority;
- No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our Company.
- Neither our Company nor any of our Promoters or Directors have been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
- None of our Promoters or Directors are fugitive economic offenders.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past five years against any of the Promoters nor is there any outstanding action against the Promoters.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group Company/ies and Company/ies promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 263 of this Draft Red Herring Prospectus.

## CHANGE IN THE CONTROL OR MANAGEMENT OF OUR COMPANY IN LAST FIVE YEARS

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

## INTEREST OF OUR PROMOTERS

### Interest in Promotion of our Company

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; and (ii) to

the extent of their shareholding in our Company. For details on shareholding of our Promoters in our Company, see “Capital Structure” on page 86 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please refer the section titled “Annexure-J.-Related Party Transactions” in chapter “Restated Financial Statements” on page 241 of this Draft Red Herring Prospectus.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) in which our Promoters are partners or designated partners or directors; or (iii) which are controlled by our Promoters. For further details of interest of our Promoters in our Company, see “Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements –Note 241 – Related party transactions” on page 241.

- (a) Further, Mohammadhasnein Husenali Narsinh, Husenali Yusufali Narsinh and Minajbanu Husenali Narsinh, are also interested in our Company in the capacity of our Directors, and may be deemed to be interested in the remuneration payable to them and the reimbursement of expenses incurred by them in the said capacity. For further details, see “Our Management” on page 218. For further details of interest of our Promoters in our Company, see “Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements – Note 241 – Related party transactions” on page 241.
- (b) Except as disclosed in “Financial Statements” and “Financial Indebtedness” on pages 241 and 260, respectively in this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Promoters have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “Financial Indebtedness” on page 260 of this Draft Red Herring Prospectus.
- (c) Except for the interest held by our Promoters in the entities disclosed under “- Other ventures of our Promoters”, our Promoters do not have any interest in any venture that is involved in activities similar to those conducted by our Company.
- (d) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoter or otherwise for services rendered by the Promoters, or by such firm or company, in connection with the promotion or formation of our Company.
- (e) We confirm that there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Promoters and Promoter Group.

#### **Interest in property, land, construction of building and supply of machinery**

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

#### **Payment or benefits to Promoter or Promoter Group**

Except Jamani Mehvis Mehndihasan, sister of our Managing Director and Narsinh Fatema Mohammadhasnein, the spouse of our Managing Director was associated with our Company, in the capacity of Non-Executive Director and Executive Director, respectively and may be deemed to be interested to the extent of remuneration paid to them in the preceding two years. For details in relation to the remuneration paid to them in Fiscal 2024, please see ‘Our Management – Sitting fee details of our Independent Directors and Non-Executive Directors’, and “Restated Financial Information - Related Party Transactions” beginning on pages 218 and 241, respectively of this Draft Red Herring Prospectus.

#### **COMMON PURSUITS OF OUR PROMOTER**

Except as disclosed below, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company



Sr. No.	Name of Entity
1.	MAH Textiles LLP
2.	Sustainable Spinning & Commodities Private Limited
3.	KR Solvent LLP
4.	Sustainable Knitting LLP

#### **GUARANTEES PROVIDED BY OUR PROMOTERS**

Except as stated in the “Financial Statements as Restated” beginning on page 241 of this Draft Red Herring Prospectus, our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

#### **DISASSOCIATION BY THE PROMOTERS IN THE LAST 3 YEARS**

Except as mentioned below, our Promoters have not disassociated themselves from any of the companies/ partnership firms as a Director or Partner during preceding three years:

Name	Entity Name	Date of Disassociation	Reason
Mohmmadhasnein Husenali Narsinh	KR Solvent	October 9, 2024	Due to pre-occupation
Husenali Yusufali Narsinh	KR Solvent	November 6, 2024	Due to pre-occupation

#### **LITIGATION INVOLVING OUR PROMOTER**

For details relating to legal proceedings involving the Promoters, please refer “**Outstanding Litigation and Material Developments**” beginning on page 263 of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 is as under:

##### **A. Natural persons who are part of the Promoter Group**

Individual Promoters	Mohmmadhasnein Husenali Narsinh	Narsinh Yusufali Husenali	Minajbanu Husenali Narsinh
<i>Relation with Promoter</i>			
<b>Father</b>	Narsinh Husenali Yusufali	Late Yusufali Khushalbai Narsinh	Late Asgarbhai Rajabhai Narsinh
<b>Mother</b>	Minajbanu Husenali Narsinh	Late Jehraaben Yusufali Narsinh	Late Kherunisha Asgarbhai Nayani
<b>Spouse</b>	Narsinh Fatema Mohmadhasnein	Minajbanu Husenali Narsinh	Narsinh Husenali Yusufali
<b>Brother(s)</b>	Late Mohammadali Narsinh	-	Afzalali A Nayani Mohammedtaqi A Nayani
<b>Sister(s)</b>	Jamani Mehvis Mehndihasan	Dosani Basirabanu Dosani Masumaben	Alina Habib Mukadam Fazila Abbasali
<b>Son(s)</b>	Narsinh Mohammed Aahil Hasnein	1. Late Mohammadali 2. Mohmmadhasnein Husenali Narsinh	1. Late Mohammadali 2. Mohmmadhasnein Husenali Narsinh
<b>Daughter(s)</b>	-	Jamani Mehvis Mehndihasan	Jamani Mehvis Mehndihasan
<b>Spouse's Father</b>	Late Irfanali Haidarali Merchant	Late Asgarbhai Rajabhai Narsinh	Late Yusufali Khushalbai Narsinh

<b>Spouse's Mother</b>	Merchant Nasimbanu	Late Kherunisha Asgarbhai Nayani	Late Jehraben Yusufali Narsinh
<b>Spouse's Brother(s)</b>	Merchant Aliraza Irfanbhai	Afzalali A Nayani Mohammedtaqi Asgarali Nayani	-
<b>Spouse's Sister(s)</b>	-	Alina Habib Mukadam Fazila Abbasali	Dosani Basirabanu Dosani Masumaben

***B. Entities forming part of the Promoter Group***

***1. In case promoter is a body corporate***

Our Company does not have a body corporate promoter.

***2. In case promoter is an individual***

<b>Sr. No.</b>	<b>Nature of Relationship</b>	<b>Entity</b>
1.	Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	<ul style="list-style-type: none"> <li>Sustainable Spinning and Commodities Private Limited</li> <li>Sustainable Smart Wear Private Limited</li> <li>Sustainable Knitting LLP</li> </ul>
2.	Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	Nil
3.	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%.	<ul style="list-style-type: none"> <li>Bharat Industries</li> <li>Bharat Milling &amp; Co</li> </ul>

***C. All persons whose shareholding is aggregated under the heading "shareholding of the Promoter Group"***

None of the other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp) (v) of SEBI (ICDR) Regulations 2018.

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled "Capital Structure" beginning on page 86 of this Draft Red Herring Prospectus.

## OUR SUBSIDIARY

### 1. M/s K R Solvent LLP

#### *Corporate Information*

M/s K R Solvent LLP was originally incorporated as a Partnership firm under the name of 'M/s K R Solvent' pursuant to a deed of partnership dated March 10, 2011, executed between our Promoters and Muhammad Ali Hussain Ali Narsinh. Subsequently, our Promoters entered into a supplementary partnership deed dated November 12, 2016. Further, the erstwhile partnership firm, M/s. K R Solvent was registered with the Registrar of Firms, pursuant to which a certificate dated December 6, 2017 bearing number GUJRJ103460 was issued by the Registrar of Firms. Further, the erstwhile partnership firm, M/s. K R Solvent was converted into a Limited Liability partnership under the name 'K R Solvent LLP', under section 58(1) of the Limited Liability Partnership Act, 2008, pursuant to a certificate of incorporation dated February 23, 2018 issued by Registrar of Companies, Ahmedabad.

The LLPIN of K R Solvent LLP is AAM-0919 and its registered office is situated at LS No-554 Untadi, Limbadi, Surendranagar, Ahmedabad - 363 410, Gujarat, India.

#### *Nature of Business*

K R Solvent LLP is engaged in the business of manufacturing oiled cakes, cotton wash oil, linters, and cotton hulls from cotton seeds.

#### *Profit and Loss Sharing Ratio as on date of this Draft Red Herring Prospectus:*

S. No.	Name of Partners	Capital Share in Profit / Loss (in %)
1.	Milan Ginning Pressing Limited (Mrs. Minajbanu Husenali Narsinh as a Nominee)	90
2.	Fatema Mohmadhasnein Narsinh	5
3.	Mehvis Mehdihasan Jamani	5
	<b>Total</b>	<b>100</b>

#### *Accumulated profits or losses*

There are no accumulated profits or losses of K R Solvent LLP that have not been accounted for by our Company in the Restated Consolidated Financial Information.

### 2. MAH Textiles LLP

#### *Corporate Information*

MAH Textiles LLP\* is incorporated under section 12(1) of the Limited Liability Partnership Act, pursuant to a certificate of incorporation dated May 1, 2017 issued by Registrar of Companies, Ahmedabad.

The LLPIN of MAH Textiles LLP is AAJ-3120 and its registered office is situated at Milan Ginning Pressing Limited Compound, Revenue Survey No.555/P, Near Chorania 440KV Watt Sub Station, National Highway-8, Untadi, Surendra Nagar, Limbdi - 363 421, Gujarat, India.

*\*MAH Textiles LLP have filed an application for conversion from LLP to private limited with the Registrar of Companies (ROC) and are awaiting approval.*

#### *Nature of Business*

MAH Textiles LLP is engaged in the business of trading of cotton & cotton related items. Now, the subsidiary is going in production process of dyeing & printing of Fabric..

#### *Profit and Loss Sharing Ratio as on date of this Draft Red Herring Prospectus:*

S. No.	Name of Partners	Capital Share in Profit / Loss (in %)
1.	Milan Ginning Pressing Limited (Mrs. Minajbanu Husenali Narsinh as a Nominee)	90

2.	Husenali Yusufali Narsinh	5
3.	Mohammadhasnein Husenali Narsinh	5
	<b>Total</b>	<b>100</b>

***Accumulated profits or losses***

There are no accumulated profits or losses of MAH Textiles LLP that have not been accounted for by our Company in the Restated Consolidated Financial Information.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividends in the nine months' period ended December 31, 2024 and the last three financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022. Further, Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future

**SECTION IX – FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL INFORMATION**

Sr. No	Particulars	Page Nos.
1.	Restated Financial Information	RF- 1 to RF- 54

## INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Examination Report On the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2024 and March 31, 2024, Restated Consolidated Statement of Profit and Losses, Restated Consolidated Cash Flow Statement along with the Statement of Material Accounting Policies and other Explanatory information for the period ended December 31, 2024 and year ended March 31, 2024; the Restated Standalone Statement of Assets and Liabilities as at March 31, 2023 and March 31, 2022, Restated Standalone Statement of Profit and Losses, Restated Standalone Cash Flow Statement along with the Statement of Material Accounting Policies and other Explanatory information for the year ended March 31, 2023 and March 31, 2022 of Milan Ginning Pressing Limited (Formerly known as Milan Ginning Pressing Private Limited) (Collectively, the "Restated Financial Information")

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
**The Board of Directors,**  
**Milan Ginning Pressing Limited**  
**(Formerly Known as Milan Ginning Pressing Private Limited)**  
Revenue Survey No.555/P,  
Near Chorania 440KV Watt Sub Station, National  
Highway-8, Untadi, Surendra Nagar, Limbdi, Gujarat,  
India, 363421

Dear Sirs/Madams,

1. We have examined the attached Restated Financial Information of **MILAN GINNING PRESSING LIMITED** and its subsidiaries **MAH TEXTILES LLP and K R SOLVENT LLP** (the holding company and its subsidiary together referred to as "group") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP")/ Red Herring Prospectus ("RHP")/ Prospectus, prepared by the Company in connection with its Initial Public Offer of Equity Shares of face value of Rs. 10 each ("Offer" or "IPO"). The Restated Financial Information, which have been approved by the board of directors of the Company (the "Board of Directors") at their meeting held on June 20, 2025 and have been prepared by the Company in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP")/ Red Herring Prospectus ("RHP") to be filed with BSE Limited ("BSE" or "Stock Exchange") in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company in accordance with the basis of preparation stated in Annexure D to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 20<sup>th</sup> December, 2023 in connection with the proposed IPO of equity shares of the Company;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidences supporting the Restated Financial Information; and,
  - d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. This Restated Financial Information has been compiled by the management from:
  - a) Audited Consolidated Financial Statements of company as at and for the nine month period ended on December 31, 2024 and year ended on March 31, 2024, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (Indian GAAP).
  - b) Audited Standalone Financial Statements of company as at and for the year ended on March 31, 2023 and March 31, 2022, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (Indian GAAP).
5. For the purpose of our examination, we have relied on:
  - a) Auditor's report issued by us dated May 29, 2025 and August 29, 2024 on the Consolidated Financial Statement of the Group as at and for the nine months period ended December 31, 2024 and year ended March 31, 2024 respectively, as referred in Para 4 (a) above.
  - b) Auditor's report issued by S.P. Parekh & Co; Chartered Accountants dated August 30, 2023 and August 28, 2022 on the Standalone Financial Statement of the Company as at and for the year ended March 31, 2023 and March 31, 2022 respectively, as referred in Para 4 (b) above.



6. The modification in Restated Financial Information were carried out based on the modified reports, if any, issued by us which is giving rise to modifications on the Consolidated Financial Statements as at and for the nine month period ended on December 31, 2024 and year ended on March 31, 2024 & Standalone Financial Statements as at and for the year ended on March 31, 2023 and March 31, 2022 issued by S.P.Parekh & Co. There are no qualification on the Consolidated Financial Statement issued by us for the nine month period ended on December 31, 2024 & financial year ended on March 31, 2024 respectively and no qualification on the Standalone Financial Statement issued by S.P. Parekh & Co; for financial years ended on March 31, 2023 & March 31, 2022.
7. The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements for the nine month period ended on 31<sup>st</sup> December, 2024 & financial year ended on 31st March, 2024, 31st March, 2023 and 31st March, 2022:
- a) The Restated Financial Information have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - b) The Restated Financial Information have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
  - c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
  - d) There are no qualifications in the Audit Report issued by us for the nine month period ended on December 31, 2024 and year ended on March 31, 2024 and also no qualifications in the Audit Report issued by S.P. Parekh & Co; Chartered Accountants for the year ended on March 31, 2023 & March 31, 2022 which would require adjustments in this Restated Financial Information of the Group;
  - e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE - D to this report;
  - f) Adjustments in Restated Financial Information have been made in accordance with the appropriate accounting policies;
  - g) There were no changes in accounting policies except change in provision for gratuity which needs to be adjusted in the Restated Financial Information;
  - h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement;

- i) The related party transaction for purchase & sales of Goods entered by the company are at arm's length price;
  - j) The Company has not paid any dividend since its incorporation;
8. Based on the above and according to the information and explanations given to us, we report that:
- I. The "Restated Statement of Assets and Liabilities" as set out in ANNEXURE – A to this report, of the Company for the financial period as at December 31, 2024 and for the year as at March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities have been arrived after making such adjustments and regroupings to the Consolidated/Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
  - II. The "Restated Statement of Profit and Loss" as set out in ANNEXURE – B to this report, for the nine month period ended on December 31, 2024 and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived after making such adjustments and regroupings to the Consolidated/Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
  - III. The "Restated Statement of Cash Flow" as set out in ANNEXURE – C to this report for the nine month period ended on December 31, 2024 and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived after making such adjustments and regroupings to the Consolidated/Standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
9. We didn't conducted the audit of the financial statements and other financial information, in respect of both the subsidiaries, as considered in the Restated Financial Information, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the management.
10. We have not audited any financial statements of the Group as at any date or for any period subsequent to December 31, 2024. Accordingly, we express no opinion on the financial position, results of operations and cash flows of the Group as at any date or for any period subsequent to December 31, 2024.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

12. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

13. We have also examined the following other financial information relating to the Restated Financial Information of the company as prepared by the Management and approved by the Board of Directors of the Company and annexed to this report for the nine month period ended on December 31, 2024, & for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Draft Prospectus / Prospectus (Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus) for the proposed IPO.

Restated Statement of Share Capital/Partner's Capital	Annexure – A.1
Restated Statement of Reserves and Surplus	Annexure – A.2
Restated Statement of Minority Interest	Annexure – A.3
Restated Statement of Long Term Borrowing	Annexure – A.4
Restated Statement of Long Term Provisions	Annexure – A.5
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.12
Restated Statement of Short Term Borrowing	Annexure – A.6
Restated Statement of Trade Payables	Annexure – A.7
Restated Statement of Other Current Liabilities	Annexure – A.8
Restated Statement of Short Term Provisions	Annexure – A.9
Restated Statement of Property Plant & Equipments	Annexure – A.10
Restated Statement of Non-Current Investment	Annexure – A.11
Restated Statement of Long Term Loans & Advances	Annexure – A.13
Restated Statement of Inventories	Annexure – A.14
Restated Statement of Trade Receivables	Annexure – A.15
Restated Statement of Cash & Cash Equivalents	Annexure – A.16
Restated Statement of Short Term Loans & Advances	Annexure – A.17
Restated Statement of Other Current Assets	Annexure – A.18
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Purchase of Stock in Trade	Annexure – B.3
Restated Statement of Cost of Material Consumed	Annexure – B.4
Restated Statement of Changes in Inventories	Annexure – B.5
Restated Statement of Employee Benefit Expenses	Annexure – B.6
Restated Statement of Finance Cost	Annexure – B.7
Restated Statement of Depreciation & Amortisation	Annexure – B.8
Restated Statement of Other Expenses	Annexure – B.9
Restated Statement of Deferred Tax Asset / Liabilities	Annexure – B.10
Restated Statement of Cash Flows	Annexure – C
Statement of Material Adjustment To The Restated Financial Statement	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated Statement of Related Party Transaction	Annexure – J

14. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
15. Our report is intended solely for use of the Board of Directors and for inclusion in the Draft Red Herring Prospectus (“DRHP”)/ Red Herring Prospectus (“RHP”) to be filed with BSE Limited (“BSE” or “Stock Exchange”), as applicable in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the Examination report.

**FOR, G M C A & CO.**  
**Chartered Accountants**  
**Firm Registration No : 109850W**

**CA Amin G. Shaikh Partner**  
**M. NO. 108894**  
**UDIN : 25108894BMKOQV2244**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Lakhs)

Sr. No.	Particulars	Note No.	Consolidated		Standalone	
			As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	A.1	1,652.09	1,652.09	944.05	598.05
	Reserves & Surplus	A.2	3,187.99	2,400.67	1,744.83	1,103.38
	Minority Interest	A.3	97.42	92.16	-	-
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	A.4	1,299.11	2,180.87	1,078.76	482.65
	Long-Term Provisions	A.5	56.49	38.93	16.99	5.74
	Deferred Tax Liabilities (Net)	A.12	415.31	361.88	255.95	42.69
	Other Non-Current Liabilities		-	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	A.6	4,178.45	3,922.15	2,187.91	2,071.41
	Trade Payables :					
	(A) total outstanding dues of micro enterprises and small enterprises; and	A.7	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	A.7	17,823.64	14,584.79	7,608.19	10,201.77
	Other Current Liabilities	A.8	1,758.78	1,817.09	709.32	1,478.58
	Short Term Provisions	A.9	328.33	497.83	176.51	79.27
	<b>Total</b>		<b>30,797.61</b>	<b>27,548.46</b>	<b>14,722.51</b>	<b>16,063.54</b>
<b>B</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	A.10	3,752.88	3,875.71	3,123.36	582.62
	Intangible Assets		-	-	-	-
	Capital WIP		199.37	-	175.68	1,382.38
	Non-Current Investments	A.11	0.03	0.03	0.03	0.03
	Deferred Tax Assets		-	-	-	-
	Long Term Loans & Advances	A.13	187.93	208.84	157.90	107.82
<b>2</b>	<b>Current Assets</b>					
	Current Investments		-	-	-	-
	Inventories	A.14	5,685.90	5,833.17	1,741.37	2,552.15
	Trade Receivables	A.15	16,403.17	13,446.98	6,762.60	8,228.48
	Cash and Cash Equivalents	A.16	53.77	181.26	293.03	167.46
	Short-Term Loans and Advances	A.17	344.53	294.15	57.30	44.79
	Other Current Assets	A.18	4,170.03	3,708.32	2,411.24	2,997.81
	<b>Total</b>		<b>30,797.61</b>	<b>27,548.46</b>	<b>14,722.51</b>	<b>16,063.54</b>

**Note 1 :** The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**Note 2:** Balances stated above has been rounded off in nearest Rs. 10 to remove the fractional differences from the balances as mentioned in Balance sheet.

As per our Report of Even Date

**FOR, G M C A & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO : 109850W**

**FOR & ON BEHALF OF BOARD OF DIRECTORS**  
**MILAN GINNING PRESSING LIMITED**

**CA AMIN G. SHAIKH**  
**PARTNER**  
**M. NO. 108894**  
**UDIN : 25108894BMKOQV2244**

**MOHMMADHASNEIN HUSENALI NARSINH**  
**MANAGING DIRECTOR**  
**DIN : 00082026**

**HUSENALI YUSUFALI NARSINH**  
**WHOLE-TIME DIRECTOR**  
**DIN : 00102874**

**DEVENDRAKUMAR YADAV**  
**CHIEF FINANCIAL OFFICER**

**YASHESH VIJAYKUMAR SHAH**  
**COMPANY SECRETARY**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**

(Amount in Lakhs except Units in Actual Numbers)

Sr. No	Particulars	Note No.	Consolidated		Standalone	
			For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	66,468.52	90,188.41	68,275.02	73,492.44
	Other income	<b>B.2</b>	474.02	734.31	1,179.82	1,129.87
	<b>Total Revenue</b>		<b>66,942.54</b>	<b>90,922.73</b>	<b>69,454.84</b>	<b>74,622.31</b>
<b>B.</b>	<b>Expenses:</b>					
	Purchase of Stock in Trade	<b>B.3</b>	53,284.48	70,685.17	43,804.53	50,215.80
	Cost of Material Consumed	<b>B.4</b>	9,908.89	14,591.54	19,647.89	20,364.09
	Change in Inventories	<b>B.5</b>	(757.03)	(216.04)	1,498.50	(179.13)
	Employees Benefit Expenses	<b>B.6</b>	562.56	643.59	396.60	217.97
	Finance Costs	<b>B.7</b>	391.60	410.44	319.62	231.30
	Depreciation and Amortization	<b>B.8</b>	192.94	198.07	149.09	30.08
	Other Expenses	<b>B.9</b>	2,245.90	2,982.77	2,586.43	3,337.79
	<b>Total Expenses</b>		<b>65,829.33</b>	<b>89,295.53</b>	<b>68,402.66</b>	<b>74,217.90</b>
	<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		<b>1,113.20</b>	<b>1,627.20</b>	<b>1,052.18</b>	<b>404.40</b>
	Exceptional Items		-	0.08	19.02	66.83
	<b>Profit before extraordinary items and tax</b>		<b>1,113.20</b>	<b>1,627.12</b>	<b>1,033.16</b>	<b>337.58</b>
	Extraordinary Items		-	(51.06)	-	-
	<b>Profit Before Tax</b>		<b>1,113.20</b>	<b>1,678.18</b>	<b>1,033.16</b>	<b>337.58</b>
	<b>Tax Expense :</b>					
	Current Tax		267.69	421.14	178.46	79.17
	Excess/Shortage of Taxes Paid		-	-	-	-
	Deferred Tax	<b>B.10</b>	53.43	105.92	213.27	42.31
	<b>Profit (Loss) After Tax for the period from continuing operations</b>		<b>792.08</b>	<b>1,151.11</b>	<b>641.44</b>	<b>216.09</b>
	<b>Earning Per Equity Share (Face Value of ₹10/- per equity share)^:</b>					
	Basic Earnings Per Share		4.79	6.97	4.22	2.06
	Adjusted Earnings Per Share		4.79	6.97	4.22	2.06

^ For Period Ended December 31, 2024 EPS is not annualised

**Note :** The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

As per our Report of Even Date

**FOR, G M C A & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO : 109850W**

**FOR & ON BEHALF OF BOARD OF DIRECTORS**  
**MILAN GINNING PRESSING LIMITED**

**CA AMIN G. SHAIKH**  
**PARTNER**  
**M. NO. 108894**  
**UDIN : 25108894BMKOQV2244**

**MOHMMADHASNEIN HUSENALI NARSINH**  
**MANAGING DIRECTOR**  
**DIN : 00082026**

**HUSENALI YUSUFALI NARSINH**  
**WHOLE-TIME DIRECTOR**  
**DIN : 00102874**

**DEVENDRAKUMAR YADAV**  
**CHIEF FINANCIAL OFFICER**

**YASHESH VIJAYKUMAR SHAH**  
**COMPANY SECRETARY**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(Amount in Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,113.20	1,678.18	1,033.16	337.58
Adjustments for:				
Depreciation	192.94	198.07	149.09	30.08
Finance Cost	391.60	410.44	319.62	231.30
Interest Income	(13.89)	(8.44)	(6.06)	(1.45)
Adjustment on Account of Consolidation	0.50	(155.51)	-	-
<b>Operating profit before working capital changes</b>	<b>1,684.34</b>	<b>2,122.74</b>	<b>1,495.81</b>	<b>597.51</b>
<b>Movements in working capital :</b>				
(Increase)/Decrease in Inventories	147.27	(4,091.80)	810.78	(43.12)
(Increase)/Decrease in Trade Receivables	(2,956.19)	(6,684.38)	1,465.89	139.50
(Increase)/Decrease in Loans & Advances	(50.38)	(236.85)	(12.51)	37.49
(Increase)/Decrease in Other Current Assets	(461.71)	(1,297.08)	586.57	(356.32)
Increase/(Decrease) in Trade Payables	3,238.85	6,976.60	(2,593.58)	1,692.99
Increase/(Decrease) in Other Current Liabilities	(58.30)	1,107.77	(769.26)	620.56
Increase/(Decrease) in Long Term Provisions	17.56	21.94	11.25	5.74
Increase/(Decrease) in Short Term Provisions	(169.51)	321.32	97.25	33.61
<b>Cash generated from operations</b>	<b>1,391.94</b>	<b>(1,759.74)</b>	<b>1,092.19</b>	<b>2,727.95</b>
Adjustment on Account of Income Tax Expense	(267.69)	(421.12)	(178.48)	(79.52)
<b>Net cash from operating activities (A)</b>	<b>1,124.25</b>	<b>(2,180.86)</b>	<b>913.71</b>	<b>2,648.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase)/Decrease in Long Term Loans & Advances	20.91	(50.94)	(50.08)	(51.94)
Interest Income	13.89	8.44	6.06	1.45
Sale/(Purchase) of Fixed Assets	(269.48)	(314.32)	(1,483.12)	(1,630.06)
<b>Net cash from investing activities (B)</b>	<b>(234.68)</b>	<b>(356.82)</b>	<b>(1,527.14)</b>	<b>(1,680.54)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest/Other expenses paid on borrowings	(391.60)	(410.44)	(319.62)	(231.30)
Proceeds/(Repayment) of Long Term Borrowings	(881.76)	1,102.11	596.11	(69.63)
Increase/(Decrease) in Short Term Borrowings	256.30	1,734.24	116.50	(514.94)
Increase/(Decrease) in Share Capital	-	-	346.00	-
<b>Net cash from financing activities (C)</b>	<b>(1,017.06)</b>	<b>2,425.91</b>	<b>739.00</b>	<b>(815.87)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(127.49)</b>	<b>(111.77)</b>	<b>125.56</b>	<b>152.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>	<b>15.46</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>53.77</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>

Note : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

As per our Report of Even Date

**FOR, G M C A & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO : 109850W**

**FOR & ON BEHALF OF BOARD OF DIRECTORS**  
**MILAN GINNING PRESSING LIMITED**

**CA AMIN G. SHAIKH**  
**PARTNER**  
**M. NO. 108894**  
**UDIN : 25108894BMKOQV2244**

**MOHAMMADHASNEIN HUSENALI NARSINH**  
**MANAGING DIRECTOR**  
**DIN : 00082026**

**HUSENALI YUSUFALI NARSINH**  
**WHOLE-TIME DIRECTOR**  
**DIN : 00102874**

**DEVENDRAKUMAR YADAV**  
**CHIEF FINANCIAL OFFICER**

**YASHESH VIJAYKUMAR SHAH**  
**COMPANY SECRETARY**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE - A.1 : Restated Statement of Share Capital**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
2,50,00,000 Equity Shares of Rs. 10 Each	2,500.00	2,500.00	1,000.00	600.00
<b>Total</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>1,000.00</b>	<b>600.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
1,65,20,876 Equity Shares of Rs.10 Each	1,652.09	1,652.09	944.05	598.05
<b>Total</b>	<b>1,652.09</b>	<b>1,652.09</b>	<b>944.05</b>	<b>598.05</b>

**ANNEXURE – A.2 : Restated Statement of Reserves and Surplus**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Reserves &amp; Surplus</b>				
<b>1. Securities Premium</b>				
Balance as at the beginning of the year	-	342.45	342.45	342.45
Add : Addition during the year	-	-	-	-
(Less) : Issued for Bonus Issue	-	342.45	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>	<b>342.45</b>	<b>342.45</b>
<b>2. Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	2,359.22	1,402.38	760.93	448.76
Add: Profit for the year	792.08	1,151.11	641.44	216.09
(Less) : Transfer to Minority Interest	4.76	0.05	-	-
(Less) : Issued for Bonus Issue	-	365.59	-	-
Add/(Less): Adjustment in respect of Prior Period Items /Taxes	-	171.37	-	96.08
<b>Balance as at the end of the year</b>	<b>3,146.54</b>	<b>2,359.22</b>	<b>1,402.38</b>	<b>760.93</b>
<b>3. Capital Reserve</b>				
Opening Balance	41.45	-	-	-
Add: Addition During the Year	-	41.45	-	-
(Less): Utilised during the Year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>41.45</b>	<b>41.45</b>	<b>-</b>	<b>-</b>
<b>Total (1+2+3)</b>	<b>3,187.99</b>	<b>2,400.67</b>	<b>1,744.83</b>	<b>1,103.38</b>

Note A.2.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.2.2 : The Authorized Share Capital of the Company was increased from Rs. 1,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each to Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs. 10/- vide Extra Ordinary General Meeting held on February 29, 2024.

Note A.2.3 : In the meeting held on March 27, 2024, the Board of Directors approved the allotment of 70,80,376 bonus shares to shareholders, based on a ratio of 3:4, meaning three (3) equity shares for every four (4) equity shares held by each shareholder. The total value of Rs. 708.04 Lakhs was allocated as follows: Rs. 342.45 Lakhs were issued from the Securities Premium Account, and Rs. 365.59 Lakhs were issued from the Free Reserve.

Note A.2.4 : In the meeting held on August 18, 2022, the Board of Directors approved the allotment of 34,60,000 shares to existing shareholders under the Rights Issue, at a price of Rs. 10 per share.

**ANNEXURE – A.3 : Restated Statement of Minority Interest**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Balance	92.16	-	-	-
Add: Minority Interest due to formation of subsidiary	-	92.11	-	-
Add: Profit for the Year	4.76	0.05	-	-
Add/(Less): Addition/Utilised during the Year	0.50	-	-	-
<b>Total</b>	<b>97.42</b>	<b>92.16</b>	<b>-</b>	<b>-</b>

Note A.3.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.3.2 : Minority Interest attributable to 10% of Capital Contribution of MAH Textiles and K R Solvent LLP each



**ANNEXURE – A.4 : Restated Statement of Long Term Borrowings**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b><u>Secured Loans:</u></b>	<b>661.25</b>	<b>839.21</b>	<b>1,119.07</b>	<b>357.87</b>
<b>From Banks:</b>				
SBI Loan-Wind Mill-41230741474	661.25	760.80	906.25	-
SBI GECLS 2-39861623063	-	78.41	212.82	346.66
SBI COVID-19-39304840313	-	-	-	11.21
<b>Less : Current Maturity of Long Term Borrowings</b>	<b>(132.00)</b>	<b>(210.41)</b>	<b>(265.34)</b>	<b>(144.55)</b>
<b><u>Unsecured Loans:</u></b>	<b>769.86</b>	<b>1,552.07</b>	<b>225.03</b>	<b>269.33</b>
From Loans from Promoters/ Directors/ Promoters Group/ Associates/ Relative of Directors/ Group Companies	253.29	637.05	225.03	269.33
From Others	516.57	915.02	-	-
<b>Total</b>	<b>1,299.11</b>	<b>2,180.87</b>	<b>1,078.76</b>	<b>482.65</b>

Note A.4.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.4.2 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.5 : Restated Statement of Long-Term Provisions**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision For Gratuity	56.49	38.93	16.99	5.74
<b>Total</b>	<b>56.49</b>	<b>38.93</b>	<b>16.99</b>	<b>5.74</b>

Note A.5.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.6 : Restated Statement of Short Term Borrowings**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b><u>Secured Loans:</u></b>				
<b>From Banks</b>	<b>4,046.45</b>	<b>3,711.74</b>	<b>1,922.57</b>	<b>1,926.86</b>
SBI Cash Credit Account	1,816.17	1,591.94	1,922.57	1,926.86
SBI EPC Limit A/C - 42351942406	451.23	444.13	-	-
State Bank Of India-CC Account (Mah Textiles)	498.22	499.68	-	-
S.B.I. (Wadhwan) CC A/c No. 31916722143 (K.R. Solvent)	1,244.34	1,168.70	-	-
S.B.I. A/c No. 39541163868 GECL (K.R. Sovent)	-	7.29	-	-
S.B.I 33806533280 (LIMBDI) (K.R. Sovent)	36.48	-	-	-
<b>Add : Current Maturity of Long Term Borrowings</b>	<b>132.00</b>	<b>210.41</b>	<b>265.34</b>	<b>144.55</b>
<b><u>Unsecured Loans:</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
From Loans from Promoters/ Directors/ Promoters Group/ Associates/ Relative of Directors/ Group Companies	-	-	-	-
From Others	-			
<b>Total</b>	<b>4,178.45</b>	<b>3,922.15</b>	<b>2,187.91</b>	<b>2,071.41</b>

Note A.6.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.6.2 : The balance of the SBI Cash Credit account has been determined after offsetting the debit balance recorded in the Company's books for the CC account.

**ANNEXURE – A.7 : Restated Statement of Trade Payables**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade Payables due to :				
- Micro and Small Enterprises	-	-	-	-
- Others than Micro and Small Enterprises	17,823.64	14,584.79	7,608.19	10,201.77
Promotor/Promotor Group	9,404.25	4,955.76	4,054.37	6,908.70
Others	8,419.39	9,629.03	3,553.81	3,293.07
<b>Total</b>	<b>17,823.64</b>	<b>14,584.79</b>	<b>7,608.19</b>	<b>10,201.77</b>

Note A.7.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.7.2 : Trade Payable due from invoice date to others are subject to third party confirmation.

**ANNEXURE – A.8 : Restated Statement of Other Current Liabilities**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory Payables	56.24	67.30	23.69	166.90
Expenses Payables	5.32	18.01	21.92	6.23
Advance from Customers	335.49	758.13	43.59	628.39
Creditors for Expenses	1,361.73	973.65	620.12	677.06
<b>Total</b>	<b>1,758.78</b>	<b>1,817.09</b>	<b>709.32</b>	<b>1,478.58</b>

Note A.8.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.9 : Restated Statement of Short Term Provisions**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	0.24	0.25	0.12	0.09
Provsion for Income Tax	328.08	497.58	176.39	79.17
<b>Total</b>	<b>328.33</b>	<b>497.83</b>	<b>176.51</b>	<b>79.27</b>

Note A.9.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.11 : Restated Statement of Non-Current Investments**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Share of Co-Operative Bank	0.03	0.03	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>

Note A.11 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.12 : Restated Statement of Deferred Tax (Assets)/Liabilities (Net)**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax</b>				
Related to Fixed Assets	429.61	371.75	260.27	44.16
Related to Gratuity Provisions	(14.30)	(9.87)	(4.31)	(1.47)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>415.31</b>	<b>361.88</b>	<b>255.95</b>	<b>42.69</b>

Note A.12.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.13 : Restated Statement of Long Term Loans & Advances**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security Deposits	75.10	75.10	62.04	59.85
Fixed Deposit	112.83	133.74	95.86	47.96
<b>Total</b>	<b>187.93</b>	<b>208.84</b>	<b>157.90</b>	<b>107.82</b>

Note A.13.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.14 : Restated Statement of Inventories**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Stock of Raw Material	536.53	1,484.45	733.58	45.86
Stock of Finished Goods	5,083.78	4,326.75	1,007.79	2,506.29
Stock of Stores & Consumables	65.60	21.97	-	-
<b>Total</b>	<b>5,685.90</b>	<b>5,833.17</b>	<b>1,741.37</b>	<b>2,552.15</b>

Note A.14.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.14.2 : Closing Stock is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period.

**ANNEXURE – A.15 : Restated Statement of Trade Receivables**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>	<b>2,505.73</b>	<b>1,454.80</b>	<b>573.75</b>	<b>1,280.88</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	2,505.73	1,454.80	573.75	1,280.88
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>	<b>13,897.44</b>	<b>11,992.18</b>	<b>6,188.85</b>	<b>6,947.60</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	13,897.44	11,992.18	6,188.85	6,947.60
<b>Total</b>	<b>16,403.17</b>	<b>13,446.98</b>	<b>6,762.60</b>	<b>8,228.48</b>

Note A.15.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note A.15.2 : Trade Receivables are subject to Third Party Confirmation.

Note A.15.3 : The balance of Trade Receivables has been determined after offsetting the outstanding bill discounting amounts recorded in the Company's books.

**ANNEXURE – A.16 : Restated Statement of Cash and Cash Equivalents**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Cash &amp; Cash Equivalents</b>				
Cash in hand	6.93	8.98	4.83	4.74
<b>Balances with Banks:</b>				
In Current Accounts	46.84	172.28	288.19	162.73
<b>Total</b>	<b>53.77</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>

Note A.16.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E..

**ANNEXURE – A.17 : Restated Statement of Short Term Loans and Advances**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advances to Related Parties	105.17	125.82	3.10	3.10
Staff Advance	239.36	168.33	54.20	41.69
<b>Total</b>	<b>344.53</b>	<b>294.15</b>	<b>57.30</b>	<b>44.79</b>

Note A.17.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – A.18 : Restated Statement of Other Current Assets**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances With Revenue Authorities	864.46	1,156.12	642.97	402.20
Advance to Suppliers	3,282.22	2,534.57	1,458.48	2,594.58
Prepaid Expenses	23.35	17.62	2.91	1.02
Insurance Claim Receivables	-	-	306.88	-
<b>Total</b>	<b>4,170.03</b>	<b>3,708.32</b>	<b>2,411.24</b>	<b>2,997.81</b>

Note A.18.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – B.1: Restated Statement of Revenue from Operations**

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	As at March 31, 2022
<b>Revenue From Operations:</b>				
Export	12,619.55	27,257.65	21,741.89	30,626.95
Domestic	53,848.97	62,930.77	46,533.13	42,865.48
<b>Total</b>	<b>66,468.52</b>	<b>90,188.41</b>	<b>68,275.02</b>	<b>73,492.44</b>

Note B.1.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**SUB ANNEXURE – B.1.A: Bifurcation of Revenue Main Product Wise**

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	As at March 31, 2022
<b>Export</b>	<b>12,619.55</b>	<b>27,257.65</b>	<b>21,741.89</b>	<b>30,626.95</b>
Cotton Bales	1,409.67	4,429.50	-	935.58
Cotton Yarn	8,976.47	18,387.68	19,944.20	27,544.45
Open end Yarn	75.14	1,890.75	882.75	-
Polyster Yarn	-	0.85	5.07	-
De-Oil-Cake	167.92	136.53	226.64	203.59
Fabric	1,721.32	2,150.53	301.23	1,806.03
Hulls	217.92	-	27.76	-
Cotton Linter	51.11	261.81	354.23	137.30
<b>Domestic</b>	<b>53,848.97</b>	<b>62,930.77</b>	<b>46,533.13</b>	<b>42,865.48</b>
Cotton Bales	23,223.10	38,450.99	26,747.35	27,839.39
Cotton Seeds	7.13	2,708.51	3,404.51	2,636.61
Open end Yarn	7,491.99	3,742.97	2,273.36	-
Cotton Yarn	17,845.42	14,022.68	9,987.80	10,351.87
Cotton Seeds Oil	1,672.67	2,209.64	2,056.64	971.73
De-Oil-Cake	1,776.46	174.02	-	-
Fabric	192.21	173.40	90.27	261.71
Hulls	816.05	21.19	-	-
RodTEP Credit Script	453.82	821.30	851.53	506.83
Other Misc. Product	370.11	606.07	1,121.65	297.35
				-
<b>Total</b>	<b>66,468.52</b>	<b>90,188.41</b>	<b>68,275.02</b>	<b>73,492.44</b>

Note B.1.A.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**SUB ANNEXURE – B.1.B: Bifurcation of Revenue Area Wise**

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	As at March 31, 2022
<b>Export</b>	<b>12,619.55</b>	<b>27,257.65</b>	<b>21,741.89</b>	<b>30,626.95</b>
Bangladesh	9,150.67	23,694.89	19,812.95	24,305.01
China	51.11	549.74	354.23	484.10
Croatia	-	-	-	293.33
Egypt	135.27	354.56	264.13	271.58
Germany	-	-	-	345.72
Guatemala	-	71.15	-	-
Hong Kong	-	-	-	1.51
Korea	335.06	35.93	47.26	126.91
Los Angel	175.77	59.44	-	400.01
Portugal	341.97	1,832.66	865.14	3,351.45
Singapore	-	154.59	-	-
South Korea	50.79	100.60	197.05	113.52
Sri Lanka	991.34	257.29	202.03	-
Taiwan	-	-	10.10	-
Thailand	-	31.75	-	-
Turkey	250.02	115.05	(10.99)	933.83
Vietnam	1,137.56	-	-	-

<b>Domestic</b>	<b>53,848.97</b>	<b>62,930.77</b>	<b>46,533.13</b>	<b>42,865.48</b>
Andhra Pradesh	29.24	273.74	51.59	-
Dadra & Nagar Haveli	467.04	302.84	446.74	165.53
Gujarat	30,282.66	39,748.36	36,322.10	32,452.76
Haryana	1,140.89	2,105.52	244.01	15.60
Himachal Pradesh	-	200.46	-	54.23
Karnataka	454.69	563.78	13.02	11.80
Madhya Pradesh	835.73	1,567.60	1,100.52	771.60
Maharashtra	6,614.75	7,233.96	4,070.11	3,761.36
New Delhi	265.70	575.94	261.81	833.35
Punjab	765.96	524.38	-	1,543.91
Rajasthan	65.41	295.48	563.30	74.26
Tamilnadu	12,831.15	8,273.64	3,034.28	1,615.66
Telangana	39.62	818.02	-	1,370.92
Uttar Pradesh	56.13	208.24	378.95	53.23
Uttarakhand	-	-	-	21.25
West Bengal	-	238.80	46.70	120.02
<b>Total</b>	<b>66,468.52</b>	<b>90,188.41</b>	<b>68,275.02</b>	<b>73,492.44</b>

Note B.1.B.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note B.1.B.2 : The negative sales in Turkey for the fiscal year 2022-2023 are attributed to the sales returns from transactions made in preceding fiscal year/s .

#### ANNEXURE – B.2 : Restated Statement of Other Income

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Interest Incomes	13.89	8.44	6.06	1.45
Exchange Rate Fluctuations	188.75	237.73	586.32	412.22
Duty Drawback Income	232.69	429.47	529.65	419.31
Commission Income	7.98	8.25	57.68	285.51
Profit on sale of Fixed Asset	13.33	-	-	-
Other Incomes	17.37	16.54	0.12	11.39
Kasar, Discount & Rate Difference Expenses	-	33.88	-	-
<b>Total</b>	<b>474.02</b>	<b>734.31</b>	<b>1,179.82</b>	<b>1,129.87</b>

Note B.2.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

#### ANNEXURE – B.3 : Restated Statement of Purchase of Stock in Trade

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Purchase of Stock in Trade	53,284.48	70,685.17	43,804.53	50,215.80
<b>Total</b>	<b>53,284.48</b>	<b>70,685.17</b>	<b>43,804.53</b>	<b>50,215.80</b>

Note B.3.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

#### ANNEXURE – B.4 : Restated Statement of Cost of Material Consumed

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
Opening Stock of Raw Material	1,484.45	1,262.52	45.86	181.87
Add: Purchases of Raw Materials During the Period	8,778.95	14,689.89	20,152.49	19,922.02
Less: Closing Stock of Raw Material	(536.53)	(1,484.45)	(733.58)	(45.86)
<b>Sub Total (a)</b>	<b>9,726.88</b>	<b>14,467.96</b>	<b>19,464.77</b>	<b>20,058.03</b>
Opening Stock of Stores & Consumables	21.97	21.93	-	-
Add: Purchases of Stores & Consumables During the Period	225.64	123.62	183.12	306.06
Less: Closing Stock of Stores & Consumables	(65.60)	(21.97)	-	-
<b>Sub Total (b)</b>	<b>182.01</b>	<b>123.58</b>	<b>183.12</b>	<b>306.06</b>
<b>Grand Total</b>	<b>9,908.89</b>	<b>14,591.54</b>	<b>19,647.89</b>	<b>20,364.09</b>

Note B.4.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

Note B.4.2 : The difference between the closing stock as of March 31, 2023, and the opening stock as of April 1, 2023, arises due to the consolidation effects.

ANNEXURE – B.5 : Restated Statement of Change in Inventories				
Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31,2022
Opening Stock of Finished Goods	4,326.75	4,110.71	2,506.29	2,327.16
Closing Stock of Finished Goods	5,083.78	4,326.75	1,007.79	2,506.29
<b>Total</b>	<b>(757.03)</b>	<b>(216.04)</b>	<b>1,498.50</b>	<b>(179.13)</b>
Note B.5.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.				
Note B.5.2 : The difference between the closing stock as of March 31, 2023, and the opening stock as of April 1, 2023, arises due to the consolidation effects.				
ANNEXURE – B.6 : Restated Statement of Employee Benefit Expense				
Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31,2022
Salaries, Wages and Incentives	434.23	480.83	302.65	153.82
Provident Fund / ESIC	2.84	2.12	1.35	1.40
Staff Welfare Expense	103.94	131.83	71.88	50.14
Gratuity Expense	17.55	22.08	11.27	5.84
Director Remuneration/ Partners Remuneration	4.00	6.72	9.45	6.77
<b>Total</b>	<b>562.56</b>	<b>643.59</b>	<b>396.60</b>	<b>217.97</b>
Note B.6.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.				
ANNEXURE – B.7 : Restated Statement of Finance costs				
Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31,2022
Bank Charges / BG Commission	10.03	35.73	54.95	40.56
Interest Expenses	322.78	271.64	258.79	161.61
Unsecured Loan Interest	40.19	0.75	-	-
Discounting Charges	18.40	100.43	5.65	28.34
Other Financial Charges	0.19	1.88	0.23	0.79
<b>Total</b>	<b>391.60</b>	<b>410.44</b>	<b>319.62</b>	<b>231.30</b>
Note B.7.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.				
ANNEXURE – B.8 : Restated Statement of Depreciation & Amortization				
Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31,2022
Depreciation	192.94	198.07	149.09	30.08
<b>Total</b>	<b>192.94</b>	<b>198.07</b>	<b>149.09</b>	<b>30.08</b>
Note B.8.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.				

**ANNEXURE – B.9 : Restated Statement of Other Expenses**

Particulars	Consolidated		Standalone	
	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
<b>Direct Expenses:</b>	<b>1,363.84</b>	<b>1,362.92</b>	<b>1,539.46</b>	<b>1,945.58</b>
Import/Export Charges	57.38	79.46	86.26	133.63
Factory Expense	259.54	152.07	98.11	126.79
Freight & Transport Expenses	766.12	875.85	955.18	1,585.05
Power & Fuel Expenses	280.80	255.54	399.92	100.11
<b>Administrative &amp; Selling &amp; Distribution Expenses:</b>	<b>882.06</b>	<b>1,619.85</b>	<b>1,046.97</b>	<b>1,392.20</b>
Audit Fees Expenses	1.72	1.85	2.10	1.55
Advertisement & Business Promotion Expenses	7.24	18.53	23.10	9.89
Certification Charges	32.72	96.90	39.83	83.26
Commision Expense	329.86	721.56	620.54	919.83
Donation Expenses	21.22	45.17	20.86	12.05
Inspection & Testing Expenses	40.02	126.18	36.61	11.61
Insurance Expenses	29.83	24.86	31.38	15.02
Kasar, Discount & Rate Difference Expenses	80.18	-	93.90	137.84
Late Payment & Interest Expenses	109.60	116.56	73.04	21.27
Legal & Professional Expenses	28.59	131.71	21.58	7.07
Office Expenses	41.71	13.54	18.12	11.84
Postage and Courier Expenses	4.14	8.50	10.07	9.14
Rates & Taxes	8.45	9.38	22.46	44.40
Registration & Membership Fees Expenses	0.24	0.53	1.37	2.78
Repair & Maintenance Expenses	107.01	272.45	28.63	101.63
Travelling & Conveyance Expenses	39.54	32.14	3.37	3.03
<b>Total</b>	<b>2,245.90</b>	<b>2,982.77</b>	<b>2,586.43</b>	<b>3,337.79</b>

Note B.9.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**ANNEXURE – B.10 : Restated Statement of Deferred Tax (Assets)/Liabilities**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
WDV as per Companies Act, 2013 (A)	3,952.25	3,875.70	3,299.04	1,965.00
WDV as per Income tax Act, 1961 (B)	2,247.46	2,400.49	2,266.23	1,806.27
Difference in WDV (A-B)	1,704.79	1,475.21	1,032.81	158.73
Deferred Tax (Asset)/ Liability '(C)	429.61	371.75	260.27	44.16
Gratuity as per Books (D)	56.73	39.18	17.11	5.83
Gratuity as per Income Tax Act, 1961 (E)	-	-	-	-
Difference Gratuity (D-E)	(56.73)	(39.18)	(17.11)	(5.83)
Deferred Tax (Asset)/ Liability '(F)	(14.30)	(9.87)	(4.31)	(1.47)
<b>Restated Closing Balance of Deferred Tax (Asset)/ Liability</b>	<b>415.31</b>	<b>361.88</b>	<b>255.95</b>	<b>42.69</b>
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	361.88	255.95	42.69	0.38
<b>Deferred Tax (Assets)/ Liability charged to Profit &amp; Loss</b>	<b>53.43</b>	<b>105.92</b>	<b>213.27</b>	<b>42.31</b>

Note B.10.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.



**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

ANNEXURE – A.10 : Restated Statement of Property, Plant and Equipment (Amount in Lakhs)

As at December 31, 2024 (Consolidated)										
	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at April 1, 2024	Additions	Deletion/Sale	As at December 31, 2024	Balance as at April 1, 2024	Depreciation charge for the period	Deletion-Sale/Loss	As at December 31, 2024	As at March 31, 2024	As at December 31, 2024
<b>A. Tangible Asset</b>										
Computer	15.23	0.50	-	15.73	6.17	3.50	-	9.67	9.06	6.06
Furniture & Fixtures	65.30	1.77	-	67.07	38.67	4.73	-	43.40	26.62	23.66
Office Equipment	6.97	18.48	-	25.45	5.27	2.82	-	8.09	1.70	17.36
Plant & Machinery	2,387.42	18.74	3.79	2,402.37	605.40	110.55	3.62	712.33	1,782.02	1,690.04
Electric Installation	129.98	-	-	129.98	23.70	6.44	-	30.14	106.28	99.84
Vehicle	10.16	30.39	-	40.55	2.53	3.36	-	5.89	7.63	34.66
Office Building	824.45	-	-	824.45	144.92	19.15	-	164.07	679.53	660.38
Wind Mill Land	20.00	-	-	20.00	-	-	-	-	20.00	20.00
Wind Mill	1,134.82	-	-	1,134.82	66.30	38.12	-	104.42	1,068.52	1,030.40
Staff Quarter	175.68	-	-	175.68	2.77	4.26	-	7.03	172.91	168.65
Marketing Yard Shop	0.60	-	-	0.60	-	-	-	-	0.60	0.60
Mobile Phone	-	0.40	-	0.40	-	0.01	-	0.01	-	0.39
<b>Total</b>	<b>4,770.60</b>	<b>70.28</b>	<b>3.79</b>	<b>4,837.09</b>	<b>895.74</b>	<b>192.94</b>	<b>3.62</b>	<b>1,085.05</b>	<b>3,874.87</b>	<b>3,752.04</b>
<b>B. Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Land</b>	0.85	-	-	0.85	-	-	-	-	0.85	0.85
<b>D. Capital WIP</b>	-	205.87	6.50	199.37	-	-	-	-	-	199.37
<b>Total (A+B+C+D)</b>	<b>4,771.45</b>	<b>276.15</b>	<b>10.29</b>	<b>5,037.31</b>	<b>895.74</b>	<b>192.94</b>	<b>3.62</b>	<b>1,085.05</b>	<b>3,875.71</b>	<b>3,952.25</b>

**As at March 31, 2024**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2023 (Consolidated)	Additions	Deletion/Sale	As at March 31, 2024 (Consolidated)	Balance as at April 1, 2023 (Consolidated)	Depreciation charge for the period	Deletion-Sale/Loss	As at March 31, 2024 (Consolidated)	As at March 31, 2023 (Standalone)	As at March 31, 2024 (Consolidated)
<b>A. Tangible Asset</b>										
Computer	6.32	8.91	-	15.23	3.46	2.71	-	6.17	2.81	9.06
Furniture & Fixtures	65.07	0.22	-	65.30	37.61	1.06	-	38.67	6.41	26.62
Office Equipment	6.54	0.43	-	6.97	4.94	0.34	-	5.27	1.61	1.70
Plant & Machinery	2,380.64	6.78	-	2,387.42	489.87	115.53	-	605.40	1,587.27	1,782.02
Electric Installation	129.98	-	-	129.98	15.15	8.55	-	23.70	114.83	106.28
Vehicle	10.16	-	-	10.16	1.35	1.19	-	2.53	8.82	7.63
Office Building	538.21	286.24	-	824.45	129.58	15.34	-	144.92	261.06	679.53
Wind Mill Land	20.00	-	-	20.00	-	-	-	-	20.00	20.00
Wind Mill	1,134.82	-	-	1,134.82	15.71	50.59	-	66.30	1,119.11	1,068.52
Staff Quarter	-	175.68	-	175.68	-	2.77	-	2.77	-	172.91
Marketing Yard Shop	0.60	-	-	0.60	-	-	-	-	0.60	0.60
<b>Total</b>	<b>4,292.34</b>	<b>478.27</b>	<b>-</b>	<b>4,770.60</b>	<b>697.66</b>	<b>198.07</b>	<b>-</b>	<b>895.74</b>	<b>3,122.51</b>	<b>3,874.87</b>
<b>B. Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Land</b>	0.85	-	-	0.85	-	-	-	-	0.85	0.85
<b>D. Capital WIP</b>	175.68	-	175.68	0.00	-	-	-	-	175.68	0.00
<b>Total (A+B+C+D)</b>	<b>4,468.87</b>	<b>478.27</b>	<b>175.68</b>	<b>4,771.45</b>	<b>697.66</b>	<b>198.07</b>	<b>-</b>	<b>895.74</b>	<b>3,299.04</b>	<b>3,875.71</b>

As at March 31, 2023 (Standalone)										
Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2022	Additions	Deletion/Sale	Balance as at March 31, 2023	Balance as at April 1, 2022	Depreciation charge for the period	Adjustments/ Deletion-Sale/Loss	Balance as at March 31, 2023	As at March 31, 2022	Balance as at March 31, 2023
<b>A. Tangible Asset</b>										
Computer	2.85	2.44	-	5.30	1.56	0.93	-	2.49	1.29	2.81
Furniture & Fixtures	9.06	1.77	-	10.82	3.44	0.97	-	4.41	5.62	6.41
Office Equipment	6.38	0.16	-	6.54	3.87	1.07	-	4.94	2.51	1.61
Plant & Machinery	470.08	1,387.95	-	1,858.04	160.10	110.67	-	270.77	309.99	1,587.27
Electric Installation	7.11	122.87	-	129.98	6.61	8.55	-	15.15	0.50	114.83
Vehicle	10.16	-	-	10.16	0.16	1.19	-	1.35	10.00	8.82
Office Building	328.76	19.81	-	348.57	77.50	10.00	-	87.50	251.26	261.06
Wind Mill Land	-	20.00	-	20.00	-	-	-	-	-	20.00
Wind Mill	-	1,134.82	-	1,134.82	-	15.71	-	15.71	-	1,119.11
Marketing Yard Shop	0.60	-	-	0.60	-	-	-	-	0.60	0.60
<b>Total</b>	<b>835.00</b>	<b>2,689.83</b>	<b>-</b>	<b>3,524.83</b>	<b>253.23</b>	<b>149.09</b>	<b>-</b>	<b>402.31</b>	<b>581.78</b>	<b>3,122.51</b>
<b>B. Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Land</b>	0.85	-	-	0.85	-	-	-	-	0.85	0.85
<b>D. Capital WIP</b>	1,382.38	175.68	1,382.38	175.68	-	-	-	-	1,382.38	175.68
<b>Total (A+B+C+D)</b>	<b>2,218.22</b>	<b>2,865.51</b>	<b>1,382.38</b>	<b>3,701.36</b>	<b>253.23</b>	<b>149.09</b>	<b>-</b>	<b>402.31</b>	<b>1,965.00</b>	<b>3,299.04</b>

As at March 31, 2022 (Standalone)										
	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at April 1, 2021	Additions	Deletion/Sale	Balance as at March 31, 2022	Balance as at April 1, 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at March 31, 2022	As at March 31, 2021	Balance as at March 31, 2022
<b>A. Tangible Asset</b>										
Computer	2.40	0.46	-	2.85	1.08	0.48	-	1.56	1.32	1.29
Furniture & Fixtures	9.06	-	-	9.06	2.57	0.86	-	3.44	6.48	5.62
Office Equipment	6.38	-	-	6.38	2.74	1.12	-	3.87	3.64	2.51
Plant & Machinery	233.02	237.07	-	470.08	142.42	17.68	-	160.10	90.60	309.99
Electric Installation	7.11	-	-	7.11	6.43	0.18	-	6.61	0.68	0.50
Vehicle	-	10.16	-	10.16	-	0.16	-	0.16	-	10.00
Office Building	328.76	-	-	328.76	67.90	9.60	-	77.50	260.85	251.26
Marketing Yard Shop	0.60	-	-	0.60	-	-	-	-	0.60	0.60
<b>Total</b>	<b>587.32</b>	<b>247.68</b>	<b>-</b>	<b>835.00</b>	<b>223.15</b>	<b>30.08</b>	<b>-</b>	<b>253.23</b>	<b>364.17</b>	<b>581.78</b>
<b>B. Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>C. Land</b>	0.85	-	-	0.85	-	-	-	-	0.85	0.85
<b>D. Capital WIP</b>	-	1,382.38	-	1,382.38	-	-	-	-	-	1,382.38
<b>Total (A+B+C+D)</b>	<b>588.16</b>	<b>1,630.06</b>	<b>-</b>	<b>2,218.22</b>	<b>223.15</b>	<b>30.08</b>	<b>-</b>	<b>253.23</b>	<b>365.02</b>	<b>1,965.00</b>

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**A.1.2 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Dec-24		31-Mar-24		31-Mar-23		31-Mar-22	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mohammadhasnein Husenali Narsinh	56,17,500	34.00%	56,17,500	34.00%	17,50,001	18.54%	7,00,001	11.70%
Husenali Yusufali Narsinh	56,16,975	34.00%	56,16,975	34.00%	41,15,492	43.59%	25,05,492	41.89%
Minajbanu Husenali Narsinh	33,07,500	20.02%	33,07,500	20.02%	25,75,002	27.28%	25,75,002	43.06%
Fatema Mohmadhasnein Narsinh	6,65,000	4.03%	6,65,000	4.03%	10,00,000	10.59%	2,00,000	3.34%
<b>Total</b>	<b>1,52,06,975</b>	<b>92.05%</b>	<b>1,52,06,975</b>	<b>92.05%</b>	<b>94,40,495</b>	<b>100.00%</b>	<b>59,80,495</b>	<b>100.00%</b>

**Note A.1.2.1** : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**A.1.3 Shareholding of Promoters & Promoter Group**

Name of Shareholder	31-Dec-24		31-Mar-24		31-Mar-23		31-Mar-22	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mohammadhasnein Husenali Narsinh	56,17,500	34.00%	56,17,500	34.00%	17,50,001	18.54%	7,00,001	11.70%
Husenali Yusufali Narsinh	56,16,975	34.00%	56,16,975	34.00%	41,15,492	43.59%	25,05,492	41.89%
Minajbanu Husenali Narsinh	33,07,500	20.02%	33,07,500	20.02%	25,75,002	27.28%	25,75,002	43.06%
Mehvis Mehndihasan Jamani	6,65,525	4.03%	6,65,525	4.03%	-	-	-	-
Fatema Mohmadhasnein Narsinh	6,65,000	4.03%	6,65,000	4.03%	10,00,000	10.59%	2,00,000	3.34%
Arzoofatema Mohamedali Narsinh	6,47,938	3.92%	6,47,938	3.92%	-	-	-	-
Mehndihasan Shabbirali Jamani	438	0.00%	438	0.00%	-	-	-	-
<b>Total</b>	<b>1,65,20,876</b>	<b>100.00%</b>	<b>1,65,20,876</b>	<b>100.00%</b>	<b>94,40,495</b>	<b>100.00%</b>	<b>59,80,495</b>	<b>100.00%</b>

**Note A.1.3.1** : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

ANNEXURE – A.3.3

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Lakhs)

Name of Lender	Purpose	Sanctioned Amount (Amount in Lakhs)	Securities offered	Rate of Interest (Per Annum)	Re-Payment Schedule	Moratorium	Outstanding amount as on
							December 31, 2024
State Bank of India	Cash Credit Limit	₹ 2,000.00	1.Hypothecation of Stocks and Receivable	9.05%	Repayable on Demand	NA	₹ 1,816.17
	EPC (Export Packing Credit)	₹ 500.00		8.08%	Repayable on Demand	NA	₹ 451.23
	Term Loan	₹ 777.00	2. Hypothecation of all Plant and Machinaries of Wind Mills <b>Collateral Securities</b> 1. Land Factory R.S. No.555(P)situated at NH 8A,Vill. Untadi,Taluka-Limbdi, Dist.-Surentranagar land area 22864.75 Sq Mtr, Total Consturction Area 3080.99 2. Revnue Survey No.202P, Land Area 10000 Sq, Mtrs, Village Vankiya, Taluka Babra, District: Amreli	9.05%	69 monthly instalment of Rs.1100000/-, starting from January 2023, and 18 monthly instalment of Rs.1200000/-	5 Months	₹ 661.25
	GECL-WCTL	₹ 111.00	<b>Personal Guarantee</b> 1. Minazben Husenali Narsinh 2. Husenali Yusufali Narsinh 3. Narsinh Mohammadhasnein Husenali 4. Narsinh Fatema Mohammadhasnein	9.25%	Rs.1111112 payable in 36 months	12 Months	₹ -

Name of Lender	Purpose	Sanctioned Amount (Amount in Lakhs)	Securities offered	Rate of Interest (Per Annum)	Re-Payment Schedule	Moratorium	Outstanding amount as on
							December 31, 2024
State Bank of India	Cash Credit Limit	₹ 1,300.00	<b>Primary Security</b> 1.Hypothecation of Stocks and Receivable  <b>Collateral Securities</b> 1. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 21, R. S No. 242 admeasuring 239.68 sq. meters in A.2.30 Gunthas, Plot No. 21, Limbdi Nagarpalika, Limbdi, Surendranagar, 363421, (Semi Urban), Admeasuring Total Area: 239.68 sq. meters, owned by Huseinali Yusufali Narsinh.  2. Factory Land & Buildings bearing Survey Number: 224, situated at NA Plot No. 24 admeasuring 228.00 sq. meters in R.S No. 242 (paiki of total land area 2 acre 30 guntha), A.2.30 Gunthas, Plot No. 24, Limbdi Nagarpalika, Limbdi., Limbi, (Urban), Admeasuring Total Area: 228 Sq mtr, Owned By Huseinali Yusufali Narsinh  3. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 22, R. S No. 242 admeasuring 201.50 sq. meters in A.2.30 Gunthas, Plot No. 22, Limbdi Nagarpalika, Limbdi, Surendranagar, 363421, (Semi Urban), Admeasuring Total Area: 201.50 Sq mtr, Owned By Huseinali Yusufali Narsinh  4. Factory Land and Building bearing Survey Number: SSS situated at M. of Land & Building the name of M/s Bhorat Industrie Prop. Minajuben Narzinh, Situate ot 8.5. No. 5550 2/3, Rojkot-Amdevs highwry Village: Utad To Limbd Dist Surendranagar. Surendranagar 363421, (Semi Urban), Adineasurin Total Area: 28530 sq.mir, owned by M/s Bharat Industries Prop Minajuben H Narsinh	9.60%	Repayable on Demand	NA	₹ 1,280.82

Name of Lender	Purpose	Sanctioned Amount (Amount in Lakhs)	Securities offered	Rate of Interest (Per Annum)	Re-Payment Schedule	Moratorium	Outstanding amount as on
							December 31, 2024
State Bank of India	GECL-WCTL	₹ 260.00	<p>5. Residential Plot bearing Survey Number: 242, situated at NA Piet No. 17, R. 5 N. 242 adineasuring 231.53 sq. meters in A 2.30 Gunthes, Plot No. 28, Limbal Nagarpalika Extension, Limbad Surendranagar, 363421, (Semi Urban), Admeasuring Total Area: 233.53 sq. meters Owned By Huseinali Yusufali Narsinh</p> <p>6. Residential Plat bering Survey Number: 242, situated at NA Plot No. 20, R. 5 No. 242 admeasuring 167.56 sq. meters in A.2.30 Gunthers, Plot No. 20 Limba Nagarpalika. Limbdi Surendranagar, 363421, (Semi Urban), Admeasuring Total Aren 167.56 sq. meters Owned By Huseinali Yusufali Narsinh</p> <p>7. Residential Plat bearing Survey Number: 242, situated at NA Plot No. 19, R. 5 No. 242 admeasuring 332.41 sq. meters A.2.30 Gunthes, Plot No 19, Limbdi Nagarpalika, Limbdi, Surendranagar, 363421, Owned By Huseinali Yusufali Narsinh</p> <p>8. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 15 admeasuring 167.00 sq. meters, Plot Na 20 admeasuring 167.00 sq. m. Plot no 21 admeasuring 167.00 sq.m, &amp; Plot no 22 admeasuring 167.00 sq.m making a total of 668.00 sq.m in R.5 No. 242 in A.2.30 Gunthas, Limbdi Nagarpalika, Limbdi, Surendranagar, 363421, (Semi Urban), Owned by Huseinali Yusufali Narsinh</p> <p>9. Residential Plot bearing Survey Number: 242, situated ot NA Plot No. 24 admeasuring 171.50 10. meters situated in R.S No. 242 (paik of land having total area of 2 acre 20 guntho) in A.2.30 Gunthas, Plot No 24, Umbdi Nagarpalika, Limba Surendranagar, 363421, (Semi Urban), Admeasuring Totol Area 171.50 sq. meters Owned by Mahmadhasnein Husenali Narsinh.</p> <p>10. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 23 admeasuring 186.00 s meters in R.5 No. 242, A.2.30 Gunthas, Limbdi Surendranagar, 363421, (Semi Urban), Admeasuring Total Area 186 sq mtr, owned by Huseinali Yusufali Narsinh</p> <p>11. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 39 admeasuring 150.00 sq. meters in R.S No. 242 in A.2.30 Gunthas, Plot No. 39, Limbdi Nagarpalika, Limbdi, Surendranagar, 363421, (Semi Urban), Admeasuring Total Area: 150.00 sq. meters 2 owned by: Mahmadhasnein Husenali Narsinh.</p> <p>12. Residential Plot bearing Survey Number: 242, situated at NA Plot No. 18, R. S No. 242 paiki admeasuring 238.21 sq. meters in A .2.30 Gunthas, Plot No. 18, Limbdi Nagarpalika Extension, Limbdi., Surendranagar, 363421, (Semi Urban), Admeasuring Total Area: 238.21 sq. mtr</p> <p><b>Personal Guarantee</b></p> <ol style="list-style-type: none"> <li>1. Minazben Husenali Narsinh</li> <li>2. Husenali Yusufali Narsinh</li> <li>3. Narsinh Mohmmadhasnein Husenali</li> </ol> <p><b>Corporate Guarantee</b></p> <ol style="list-style-type: none"> <li>1. M/s Bharat Industries (Smt. Minajbanu Narsinh)</li> </ol>	9.25%	Rs.7,22,222 payable in 36 months	12 Months	₹ -



Name of Lender	Purpose	Sanctioned Amount (Amount in Lakhs)	Securities offered	Rate of Interest (Per Annum)	Re-Payment Schedule	Moratorium	Outstanding amount as on
							December 31, 2024
State Bank of India	Cash Credit Limit	₹ 500.00	1.Hypothecation of Stocks and Receivable. <b>Collateral Securities</b> 1.Bharat Ginning Factory, R.S. 238, NH 8-A, Limbdi Dist.-Surendranagar	11.15%	Repayable on Demand	NA	₹ 498.22
<b>Total</b>		₹ 5,448.00					₹ 4,707.69

Note A.3.3.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

#### ANNEXURE – A.3.4

##### STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS (Amount in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on
							December 31, 2024
Minazben Husenali Narsinh	N.A	N.A	N.A	N.A	Repayable on Demand	N.A	₹ 8.47
Husenali Yusufali Narsinh	N.A	N.A	N.A	N.A	Repayable on Demand	N.A	₹ 111.06
Narsinh Mohammadhasnein Husenali	N.A	N.A	N.A	N.A	Repayable on Demand	N.A	₹ 76.25
Narsinh Fatema Mohammadhasnein	N.A	N.A	N.A	N.A	Repayable on Demand	N.A	₹ 56.20
Narsinh Mehvish Husainali	N.A	N.A	N.A	N.A	Repayable on Demand	N.A	₹ 1.31
Hero Finecorp	Bussiness Loan	₹ 550.00	N.A	11.50%	Repayable in 180 Mothly Installment of Rs. 642505 /-	N.A	₹ 516.57
<b>Total</b>		₹ 550.00					₹ 769.86

Note A.3.4.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT**

**1 Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustments :**

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Amount in Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Net Profits After Tax as per audited financial statements (A)</b>	<b>840.23</b>	<b>1,073.86</b>	<b>524.29</b>	<b>231.29</b>
<b>Add/(Less) : Adjustments on account of -</b>				
1) Provision for Outstanding Expenses	(4.00)	-	-	-
2) Difference on Account of Calculation in Deferred Tax	(13.49)	(91.28)	(47.36)	(29.28)
3) Difference on Account of Change in Provision for Tax	31.96	(22.28)	(40.17)	2.07
4) Difference on Account of Change in Provision of Depreciation	(45.08)	212.90	215.93	17.85
5) Difference on Account of Change in Provision of Gratuity	(17.55)	(22.08)	(11.27)	(5.84)
<b>Total Adjustments (B)</b>	<b>(48.15)</b>	<b>77.25</b>	<b>117.14</b>	<b>(15.20)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>792.08</b>	<b>1,151.11</b>	<b>641.44</b>	<b>216.09</b>

**3. Notes on Material Adjustments pertaining to prior years**

**(1) Provision for Outstanding Expenses**

The provision for outstanding expenses has not been recognized in the Audited Financial Statement for the nine-month period ending December 31, 2024. However, the necessary adjustments have been made in the Restated Financial Information.

**(2) Difference on Account of Calculation in Deferred Tax**

Depreciation is provided as per Income Tax Act in LLP's in Audited Consolidated Financials Statements of which effect has been given in Restated Consolidated Financials Statements as per Companies Act. Further depreciation has provided as per WDV Method in Audited Standalone/Consolidated Financials Statement of Company of which effect has been given in Restated Financials Information as per SLM Method of Companies Act. Furthermore, Gratuity provision was not made in Audited Standalone/Consolidated Financials Statement of Company of which effects has been given in Restated Financials Information as per actuarial report, due to which, Deferred Tax Calculation got changed.

**(3) Difference on Account of Change in Provision for Current Tax**

The provision for tax has been changed in Restated Financial Information in comparison to the Audited Standalone/Consolidated Financial Statements due to adjustments of depreciation, gratuity and provisions for outstanding expenses.

**(4) Difference on Account of Change in Provision of Depreciation**

Depreciation is provided as per Income Tax Act in LLP's in Audited Consolidated Financials Statements of which effect has been given in Restated Consolidated Financials Statements as per Companies Act. Further depreciation has provided as per WDV Method in Audited Standalone/Consolidated Financials Statement of Company of which effect has been given in Restated Financials Information as per SLM Method of Companies Act.

**(5) Difference on Account of Change in Provision of Gratuity**

Provision of Gratuity is not provided in Audited Standalone/Consolidated Financial Statement, of which effects has been given in Restated Financials Information.

**E2. Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Amount in Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	<b>4,441.46</b>	<b>3,564.64</b>	<b>2,490.84</b>	<b>1,620.55</b>
Add/(Less) : Adjustments on account of change in Profit/Loss	131.04	179.19	101.94	(15.20)
Add/(Less) : Adjustments on account of change in Restated Adjustments in Capital & Reserves	267.58	308.93	96.10	96.08
Total Adjustments	(398.62)	(488.12)	(198.04)	(80.88)
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>4,840.08</b>	<b>4,052.76</b>	<b>2,688.88</b>	<b>1,701.43</b>

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

(Amount in Lakhs)

Sr. No	Particulars	Consolidated		Standalone	
		As at December 31,2024	As at March 31,2024	As at March 31, 2023	As at March 31, 2022
<b>1</b>	<b>Restated Profit before tax</b>	1,113.20	1,678.18	1,033.16	337.58
	Short Term Capital Gain at special rate				
	Normal Corporate Tax Rates (%)	25.17%	25.17%	27.82%	27.82%
	Short Term Capital Gain at special rate				
	MAT Tax Rates (%)	0.00%	0.00%	16.69%	16.69%
<b>2</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	280.17	422.36	287.43	93.91
	Short Term Capital Gain at special rate				
	<b>Total</b>	<b>280.17</b>	<b>422.36</b>	<b>287.43</b>	<b>93.91</b>
	<b>Adjustments:</b>				
<b>3</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	0.00	0.00	0.00	0.00
	Exempt Income	0.00	0.00	0.00	0.00
	Allowance of Expenses under the Income Tax Act Section 35	0.00	0.00	0.00	0.00
	Disallowance of Income under the Income Tax Act	0.00	0.00	0.00	0.00
	Disallowance of Expenses under the Income Tax Act	52.45	155.41	70.87	16.57
	<b>Total Permanent Differences</b>	<b>-52.45</b>	<b>-155.41</b>	<b>-70.87</b>	<b>-16.57</b>
<b>4</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	84.48	269.74	854.08	67.99
	Provision for Gratuity disallowed	17.55	22.08	11.27	5.84
	Expense disallowed u/s 43B	0.00	0.00	0.00	0.00
	<b>Total Timing Differences</b>	<b>102.03</b>	<b>291.82</b>	<b>865.35</b>	<b>73.83</b>
<b>5</b>	<b>Net Adjustments 5= (3+4)</b>	<b>49.58</b>	<b>136.41</b>	<b>794.48</b>	<b>57.26</b>
<b>6</b>	<b>Tax expense/(saving) thereon</b>	12.48	34.33	221.02	15.93
<b>7</b>	<b>Total Income/(loss) (1+5)</b>	<b>1,162.79</b>	<b>1,814.59</b>	<b>1,827.65</b>	<b>394.84</b>
	Taxable Income/ (Loss) as per MAT	0.00	0.00	1,033.16	337.58
<b>8</b>	<b>Income Tax as per normal provision</b>	267.69	388.03	66.40	77.98
<b>9</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	0.00	0.00	172.46	56.35
	<b>Net Tax Expenses (Higher of 8,9)</b>	267.69	388.03	172.46	77.98
<b>10</b>	<b>Relief u/s 90/91</b>	0.00	0.00	0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>267.69</b>	<b>388.03</b>	<b>172.46</b>	<b>77.98</b>
<b>11</b>	<b>Adjustment for Interest on income tax/ others</b>	0.00	33.11	6.00	1.19
	<b>Total Current Tax Expenses</b>	<b>267.69</b>	<b>421.14</b>	<b>178.46</b>	<b>79.17</b>

Note F.1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

# MILAN GINNING PRESSING LIMITED

(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)

CIN:U17119GJ1995PLC025604

## ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION

(₹ in Lakhs excepts ratios)

Sr. No	Particulars	Pre issue *	Post issue
<b>1</b>	<b>Non-current borrowings (including current maturities of long-term debt):</b>		
	Secured	529.25	[●]
	Unsecured	769.86	[●]
	<b>Total non-current borrowings</b>	<b>1,299.11</b>	<b>[●]</b>
	Add: Current Maturities of Long-term Borrowings	132.00	[●]
<b>(A)</b>	<b>Non-current borrowings (incl. current maturities of long-term debt)</b>	<b>1,431.11</b>	<b>[●]</b>
<b>2</b>	<b>Current borrowings</b>		
	Secured	4,178.45	[●]
	Unsecured	-	[●]
	<b>Total current borrowings</b>	<b>4,178.45</b>	<b>[●]</b>
	Less: Current Maturities of Long-term Borrowings	132.00	[●]
<b>(B)</b>	<b>Current borrowings</b>	<b>4,046.45</b>	<b>[●]</b>
<b>(C)</b>	<b>Total Debt (C = A + B)</b>	<b>5,477.56</b>	<b>[●]</b>
<b>3</b>	<b>Shareholders' funds:</b>		
<b>I</b>	Equity Share Capital	1,652.09	[●]
<b>II</b>	Other Equity	3,187.99	[●]
<b>(D)</b>	<b>Total Equity</b>	<b>4,840.08</b>	<b>[●]</b>
	<b>Total Capitalisation (C + D)</b>	<b>10,317.64</b>	<b>[●]</b>
	<b>Key Ratios:</b>		
	Non-current borrowings / Total Equity (A / D)	0.30	[●]
	Total Debt / Total Equity (C / D)	1.13	[●]

Notes :

\* The amounts are considered outstanding as on December 31, 2024

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES**

(Amount in Lakhs )

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. Bank LC Discounting	297.03	2,385.33	483.97	3,082.03
2. Income Tax Demand	3.79	3.79	3.79	3.79
<b>Total</b>	<b>300.82</b>	<b>2,389.12</b>	<b>487.76</b>	<b>3,085.82</b>

Note H.1: The Company has received a notice from the GST department under ASMT-10, indicating a differential tax liability of Rs. 58,970, which was issued prior after December 31, 2024 but before the approval date of the Company's Financial Statements.

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Restated PAT as per P&amp; L Account</b>	<b>792.08</b>	<b>1,151.11</b>	<b>641.44</b>	<b>216.09</b>
Add: Depreciation	192.94	198.07	149.09	30.08
Add: Interest on Loan	362.97	272.39	258.79	161.61
Add: Income Tax/Deferred Tax	321.12	527.07	391.72	121.48
(Less): Interest Income	13.89	8.44	6.06	1.45
<b>EBITDA</b>	<b>1,655.22</b>	<b>2,140.20</b>	<b>1,434.98</b>	<b>527.81</b>
<b>EBITDA Margin (%)</b>	<b>2.49%</b>	<b>2.37%</b>	<b>2.10%</b>	<b>0.72%</b>
<b>Net Worth</b>	<b>4,840.08</b>	<b>4,052.76</b>	<b>2,688.88</b>	<b>1,701.43</b>
<b>Return on Net Worth (%)</b>	<b>16.37%</b>	<b>28.40%</b>	<b>23.86%</b>	<b>12.70%</b>
Actual No. of Equity Shares outstanding at the end of the period	1,65,20,876	1,65,20,876	94,40,500	59,80,500
Weighted Average Number of Equity Shares at the end of the Period (Note - I.2) (Considering Bonus Impact Retrospectively)	1,65,20,876	1,65,20,876	1,51,93,753	1,04,65,875
<b>Basic EPS &amp; Diluted EPS</b> (Considering Bonus Impact Retrospectively)	<b>4.79</b>	<b>6.97</b>	<b>4.22</b>	<b>2.06</b>
Actual No. of Equity Shares outstanding at the end of the period	1,65,20,876	1,65,20,876	94,40,500	59,80,500
Equity Shares at the end of the Period (Considering Bonus Impact Retrospectively)	1,65,20,876	1,65,20,876	1,65,20,876	1,04,65,875
<b>Net Asset Value Per Share</b> (Considering Bonus Impact Retrospectively)	<b>29.30</b>	<b>24.53</b>	<b>16.28</b>	<b>16.26</b>
<b>Nominal Value per Equity share(Rs.)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

I.1 The ratios have been calculated as below:

- a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
- b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
- c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
- d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

I.2 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. Further, number of shares are after considering impact of the bonus shares.

I.3 Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

I.4 Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Preliminary Expenses to the extent not written-off.

I.5 The figures disclosed above are based on the Restated Financial Statements of the Company.

**MILAN GINNING PRESSING LIMITED**  
**(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)**  
**CIN:U17119GJ1995PLC025604**

**ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**i. List of Related Parties and Nature of Relationship :**

Particulars	Name of Related Parties	Nature of Relationship
<b>a) Key Management Personnel's / Related Party</b>	Mr. Husenali Yusufali Narsinh	Director
	Mr. Mohmmadhasnein Husenali Narsinh	Managing Director
	Mrs. Minajbanu Husenali Narsinh	Director
	Mrs. Fatema Mohmmadhasnein Narsinh	Realtive of Director (Erstwhile Director)
	Mrs. Aarzoo Mohammadali Narsinh	Realtive of Director
	Mrs. Mehvis Mehndihasan Jamani	Realtive of Director (Erstwhile Director)
	Mr Mehndihasan Shabbirali Jamani	Realtive of Director
	Devendrakumar Yadav	Chief Financial Officer
	Mayank Lashkari	Company Secretary (Erstwhile Company Secretary)
	Yashesh Vijaykumar Shah	Company Secretary
<b>b) Associate Concerns</b>	Sustainable Spinning And Commodities Pvt Ltd	Group Concern - Common Director
	Sustainable Knitting LLP	One Director and Relative of the Directors are Partner in Firm
	Sustaianble Smart Wear Pvt Ltd	One Director and Relative of the Directors are Director in Company
	Bharat Milling Company	Proprietorship of Director
	Bharat Industries	Proprietorship of Director
<b>c) Subsidiary Company</b>	K R Solvent LLP	90 % Holding of Milan Ginning Pressing Limited
	MAH Textile LLP	90 % Holding of Milan Ginning Pressing Limited

Note J(i).1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E.

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:**

(Amount in Lakhs except Units in Actual Numbers)

Nature of Transactions	Name of Related Parties	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. Directors Remuneration	Husenali Yusufali Narsinh	0.20	0.72	0.45	0.21
	Mehvis Mehndihasan Jamani	-	1.69	9.00	6.57
	Fatema Mohammadhasnein Narsinh	-	-	-	-
	Minajbanu Husenali Narsinh	0.20	-	-	-
	Mohammadhasnein Husenali Narsinh	0.20	-	-	-
	<b>Total</b>	<b>0.60</b>	<b>2.41</b>	<b>9.45</b>	<b>6.78</b>
2. Salary paid to KMP / Relative of KMP	Devendrakumar Yadav	3.00	-	-	-
	Mayank Lashkari	4.03	-	-	-
	<b>Total</b>	<b>7.03</b>	<b>-</b>	<b>-</b>	<b>-</b>
3. Loan Received (Paid) during the Year to Related Parties	<b>Minajbanu Husenali Narsinh</b>				
	Opening Balance	7.25	7.25	7.25	7.25
	Loan Received during the year	-	-	-	-
	Loan Paid during the year	-	-	-	-
	<b>Closing Balance</b>	<b>7.25</b>	<b>7.25</b>	<b>7.25</b>	<b>7.25</b>
	<b>Basiraben Yusufbhai</b>				
	Opening Balance	0.32	0.32	0.32	0.32
	Loan Received during the year	-	-	-	-
	Loan Paid during the year	0.32	-	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>0.32</b>	<b>0.32</b>	<b>0.32</b>
	<b>Masumaben Khushalbhai</b>				
	Opening Balance	0.21	0.21	0.21	0.21
	Loan Received during the year	-	-	-	-
	Loan Paid during the year	0.21	-	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>0.21</b>	<b>0.21</b>	<b>0.21</b>
	<b>Husenali Yusufali Narsinh</b>				
	Opening Balance	100.05	100.05	176.05	100.00
	Loan Received during the year	-	-	85.00	76.05
	Loan Paid during the year	-	-	161.00	-
	<b>Closing Balance</b>	<b>100.05</b>	<b>100.05</b>	<b>100.05</b>	<b>176.05</b>
	<b>Narsinh Mohammadhasnein Husenali</b>				
	Opening Balance	64.00	64.00	64.00	64.00
	Loan Received during the year	-	-	105.00	-
	Loan Paid during the year	-	-	105.00	-
	<b>Closing Balance</b>	<b>64.00</b>	<b>64.00</b>	<b>64.00</b>	<b>64.00</b>
	<b>Narsinh Fatema Mohammadhasnein</b>				
	Opening Balance	56.20	53.20	21.50	21.50
	Loan Received during the year	-	3.00	111.70	-
	Loan Paid during the year	-	-	80.00	-
	<b>Closing Balance</b>	<b>56.20</b>	<b>56.20</b>	<b>53.20</b>	<b>21.50</b>
	<b>Mehvis Mehndihasan Jamani</b>				
	Opening Balance	1.31	-	-	-
	Loan Received during the year	-	1.31	-	-
	Loan Paid during the year	-	-	-	-
	<b>Closing Balance</b>	<b>1.31</b>	<b>1.31</b>	<b>-</b>	<b>-</b>
4. Advance Given (Received) during the Year to Related Parties	<b>Bharat Milling Company</b>				
	Opening Balance	-	3.10	3.10	3.10
	Advance Given during the year	-	-	-	-
	Advance Received during the year	-	3.10	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>3.10</b>	<b>3.10</b>



5. Sales	Sustainable Spinning And Commodities Private Limited	670.27	11,087.31	17,335.70	23,319.41
	K. R. Solvent LLP	1,129.75	3,404.51	3,404.51	2,609.90
	Mah Textiles LLP	2,308.75	3,280.33	3,280.33	1,968.25
	Sustainable Knitting LLP	86.92	933.07	519.53	-
	<b>Total</b>	<b>4,195.69</b>	<b>18,705.22</b>	<b>24,540.07</b>	<b>27,897.56</b>
6. Purchase	Sustainable Spinning And Commodities Private Limited	14,622.84	17,718.37	18,529.69	19,125.44
	K. R. Solvent LLP	2,078.16	2,600.46	2,405.37	1,300.20
	Mah Textiles LLP	10,383.75	6,980.68	3,783.82	2,859.05
	Sustainable Knitting LLP	1,551.95	2,057.22	286.41	179.61
	Sustainable Smartwear Pvt Limited	299.58	-	-	-
	<b>Total</b>	<b>28,936.28</b>	<b>29,356.73</b>	<b>25,005.29</b>	<b>23,464.30</b>
7. Job Work	Sustainable Knitting LLP	-	-	2.85	26.90
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.85</b>	<b>26.90</b>
8. Rent Received	Mah Textiles LLP	0.06	0.12	0.12	0.12
	<b>Total</b>	<b>0.06</b>	<b>0.12</b>	<b>0.12</b>	<b>0.12</b>
9. Investment in Capital	Mah Textiles LLP	292.50	292.50	-	-
	K. R. Solvent LLP	675.00	675.00	-	-
	<b>Total</b>	<b>967.50</b>	<b>967.50</b>	<b>-</b>	<b>-</b>
<p>Note J(ii).1 : The above Annexure should be read with Significant Accounting Policies and Notes forming part of Restated Financial Information in Annexure D and Statement of adjustments to Restated Financial Information in Annexure E..</p> <p>Note J(ii).2 : List of the related parties and all related party transactions of the consolidated entities (whether eliminated on consolidation or not), which require disclosure under AS 18 and/ or covered under section 188(2) of the Companies Act, 2013 (as amended), as disclosed separately in Restated Financial Statement.</p> <p>Note J(ii).3 : The above loan transactions are either paid or adjusted.</p>					

SUB ANNEXURE – A.6.1 : Ageing of Restated Statement of Trade Payables					
(Amount in Lakhs except Units in Actual Numbers)					
Particulars	< 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>As at December 31, 2024 (Consolidated)</b>	<b>17,725.46</b>	<b>98.18</b>	<b>-</b>	<b>-</b>	<b>17,823.64</b>
Trade Payables due to					
- Micro and Small Enterprises	-	-	-	-	-
- Others					
- Promotor/Promotor Group	9,404.25	-	-	-	9,404.25
- Others	8,321.21	98.18	-	-	8,419.39
<b>As at March 31, 2024 (Consolidated)</b>	<b>14,584.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,584.79</b>
Trade Payables due to					
- Micro and Small Enterprises	-	-	-	-	-
- Others					
- Promotor/Promotor Group	4,955.76	-	-	-	4,955.76
- Others	9,629.03	-	-	-	9,629.03
<b>As at March 31, 2023 (Standalone)</b>	<b>7,608.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,608.19</b>
Trade Payables due to					
- Micro and Small Enterprises	-	-	-	-	-
- Others					
- Promotor/Promotor Group	4,054.37	-	-	-	4,054.37
- Others	3,553.81	-	-	-	3,553.81
<b>As at March 31, 2022 (Standalone)</b>	<b>10,201.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,201.77</b>
Trade Payables due to					
- Micro and Small Enterprises	-	-	-	-	-
- Others					
- Promotor/Promotor Group	6,908.70	-	-	-	6,908.70
- Others	3,293.07	-	-	-	3,293.07
Note A.6.1.1 : There are no Unbilled Dues as on date					

SUB ANNEXURE – A.14.1 : Ageing of Restated Statement of Trade Receivables						
(Amount in Lakhs except Units in Actual Numbers)						
Particulars	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	> 180 Days	Total
<b>As at December 31, 2024 (Consolidated)</b>	<b>5,102.32</b>	<b>2,953.76</b>	<b>1,844.43</b>	<b>3,996.92</b>	<b>2,505.73</b>	<b>16,403.17</b>
Relatives of Directors/ Group Companies.	-	-	-	-	-	-
Others	5,102.32	2,953.76	1,844.43	3,996.92	2,505.73	16,403.17
<b>As at March 31, 2024 (Consolidated)</b>	<b>7,379.90</b>	<b>1,493.52</b>	<b>829.87</b>	<b>2,288.88</b>	<b>1,454.80</b>	<b>13,446.98</b>
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-	-	-	-
Others	7,379.90	1,493.52	829.87	2,288.88	1,454.80	13,446.98
<b>As at March 31, 2023 (Standalone)</b>	<b>2,531.68</b>	<b>1,761.74</b>	<b>1,359.41</b>	<b>536.02</b>	<b>573.75</b>	<b>6,762.60</b>
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-	-	-	-
Others	2,531.68	1,761.74	1,359.41	536.02	573.75	6,762.60
<b>As at March 31, 2022 (Standalone)</b>	<b>4,219.56</b>	<b>1,618.64</b>	<b>-</b>	<b>1,109.41</b>	<b>1,280.88</b>	<b>8,228.48</b>
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-	-	-	-
Others	4,219.56	1,618.64	-	1,109.41	1,280.88	8,228.48
Note A.14.1.1 : There are no Unbilled Dues as on date						

**MILAN GINNING PRESSING LIMITED**  
(Formerly, MILAN GINNING PRESSING PRIVATE LIMITED)  
CIN:U17119GJ1995PLC025604

**ANNEXURE - K : Ratio**

Particulars	Numerator	Denominator	Consolidated		Standalone		Variation between F.Y 24 & F.Y 23	Variation between F.Y 23 & F.Y 22	Reason for Variation between FY 23 -24 & F.Y 22-23
			As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022			
Current Ratio	<b>Current assets:-</b> inventories + trade receivables + cash & cash equipments + short term loans & advances + other current assets	<b>Current liabilities:-</b> short term borrowings + trade payables + other current liabilities + short term provisions	1.11	1.13	1.05	1.01	6.85%	4.26%	Reason for movement is not required since movement is not more than 25%
Debt-Equity Ratio	<b>Debt:-</b> Total Outside Liabilities	<b>Equity:-</b> equity attributable to equity holders	1.13	1.51	1.21	1.50	23.95%	-19.07%	The Ratio is decreased due to decrease in the borrowing of the company
Debt Service Coverage Ratio	<b>Earning available for debt services :-</b> Earning before interest and tax (attributable to long-term borrowing) and depreciation	<b>Interest + Principal :-</b> interest expenses on borrowings and principal amount of borrowings due during the current year.	3.34	4.43	2.74	1.72	61.91%	58.81%	The ratio is increased as at March 31, 2023 due to Increased EBITDA in F.Y 23. Further the same ratio is increased at March 31, 2024 due to increased in earning followed by increased in revenue.
Return on Equity Ratio	<b>Net Profit after taxes - Preference Dividend (if any) :-</b> Profit/(Loss) for the year attributable to equity holders of the parent	<b>Equity shareholders' fund :-</b> equity attributable to equity holders of the parent. Average Equity shareholders' fund = (Opening equity shareholders' fund + closing equity shareholders' fund) / 2	17.81%	34.15%	29.22%	13.98%	16.87%	108.97%	Return on Equity is increased at March 31, 2023 due to increase of earning available to equity share holders.
Inventory turnover ratio (in times)	<b>Cost of good sold :-</b> purchases + manufacturing expenses + changes in inventories of stock-in-trade	<b>Average Inventory</b>	1.83	4.16	10.57	8.75	-60.68%	20.84%	The inventory turnover ratio has decreased significantly due to decreased in COGS in FY 2023-24
Trade Receivables turnover ratio (in times)	Revenue from operations	<b>Average Trade Receivables</b>	4.45	8.93	9.11	8.86	-2.01%	2.85%	Reason for movement is not required since movement is not more than 25%
Trade payables turnover ratio (in times)	<b>Purchase :-</b> Purchases	<b>Average Trade Payables</b>	3.83	7.69	7.18	7.50	7.12%	-4.20%	Reason for movement is not required since movement is not more than 25%
Net capital turnover ratio (in times)	Revenue from operations	<b>Average working capital</b>	25.51	55.92	183.71	82.71	-69.56%	122.12%	Net Capital Turnover Ratio is increased in FY 2022-23 due to increase in Average working Capital
Net profit ratio	Net profit after tax	Revenue from operations	1.19%	1.28%	0.94%	0.29%	35.85%	219.52%	Net Profit Ratio is increased due to Decrease in Expenses and increase in Net Profit
Return on Capital employed	<b>Earning before interest &amp; taxes (EBIT) :-</b> Profit/(loss) before interest (attributable to long-term borrowing) and tax	<b>Capital employed:-</b> Total Equity + Minority Interest + Long Term Borrowing (including current maturity) + Short Term Borrowing + Deferred Tax Liability - Intangible Asset.	13.64%	23.09%	24.47%	11.28%	-5.64%	116.97%	ROCE is increased due to increase in EBDITA & Average Capital Employed in F.Y 2022-23
Return on investment.	Net profit after tax	<b>Capital employed:-</b> total equity + Minority Interest + long term borrowing (including current maturity) + short term borrowing + Deferred Tax Liability - Intangible Asset.	N.A	N.A	N.A	N.A	N.A	N.A	NA

Note K.1 : The Ratio of December 31, 2024 are not comparable with the previous year hence no comparison has been provided in regards to that. However the ratio of the company as on December 31, 2024 has been provided.

## MILAN GINNING PRESSING LIMITED

(Formerly known as Milan Ginning Pressing Private Limited)

### Annexure D : Significant Accounting Policy and Notes To Restated Financial Information

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

#### A. COMPANY INFORMATION

Milan Ginning Pressing Limited was originally incorporated as a private limited company under the name “*Milan Ginning Pressing Private Limited*” on April 25, 1995, under the provisions of the erstwhile Companies Act, 1956. The Certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad, bearing Corporate Identification Number (CIN): U17119GJ1995PTC025604.

Subsequently, the Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at an Extraordinary General Meeting held on April 12, 2024. Accordingly, the name of the Company was changed from *Milan Ginning Pressing Private Limited* to “*Milan Ginning Pressing Limited*”, and a fresh Certificate of Incorporation bearing CIN: U17119GJ1995PLC025604 was issued by the Central Processing Centre, Registrar of Companies, on May 22, 2024, reflecting the change in status.

The Company is engaged in the business of trading, manufacturing, and exporting cotton yarn, cotton bales, open-end yarn, cottonseed oil, and related products.

#### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of preparation of Restated Financial Information

The Restated Financial Statement is prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumptions of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

The Restated Consolidated Financial Information comprises of the Restated Consolidated Statement of Assets and Liabilities of the Company and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”) as at December 31, 2024 and March 31, 2024, the related Restated Consolidated Statement of Profit and Losses and the Restated Consolidated Statement of Cash Flows for the nine months period ended December 31, 2024 and for the year ended March 31, 2024, and the Significant Accounting Policies and Notes annexure thereto (“Restated Consolidated Financial Information”)

The Restated Financial Information comprises of the Restated Statement of Assets and Liabilities of the Company as at March 31, 2023 and 31 March 2022, the related Restated Statement of Profit and Losses and the Restated Statement of Cash Flows for the year ended March 31, 2023 and March 31, 2022, and the Significant Accounting Policies and Notes annexure thereto (“Restated Standalone Financial Information”)

Restated Consolidated Financial Information and Restated Standalone Financial Information are collectively referred to as the (“**Restated Financial Information**”).

The Restated Financial Information of the Group have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India( “Indian GAAP”). Indian GAAP comprises the Accounting Standards notified under Section 133 read with Section 469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

The Restated Financial Information have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

#### **2. Use of Estimates**

The preparation of Restated Financial Information requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the Balance Sheet Date, the reported amount of revenues and expenses during the reporting period and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

#### **3. Inventories**

Inventories consist of Raw Materials, Work-in-Progress and Finished Goods is valued at Cost or Net Realizable Value, whichever is lower.

#### **4. Cash & cash Equivalents**

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

#### **5. Property, Plant and Equipment & Intangible Assets**

##### **a) Tangible Assets:**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction is included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective assets on completion of construction / erection of the project.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

##### **b) Intangible Assets:**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

##### **c) Capital Work in Progress (CWIP)**

Capital Work in Progress (CWIP) represents costs incurred on fixed assets that are under construction or not yet ready for use. It's recognized when expenditure is incurred that will bring the asset to a usable condition. CWIP is typically measured at cost and is capitalized upon completion.

## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

#### **6. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

#### **7. Depreciation**

All fixed assets, except capital work in progress are depreciated on SLM Method. Depreciation is provided based on useful life of the assets and depreciation rates as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

#### **8. Accounting for Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

#### **9. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned, no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gains on sale of investment if any are recognized on completion of transaction. No notional profits/losses are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

#### **10. Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **11. Retirement Benefits**

##### **a) Short-term employee benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and loss for the year which includes benefits like salary, wages, bonus and are recognized as expenses in the period in which the employee renders the related service

##### **b) Post-Employment benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet

## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **12. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

#### **13. Deferred Tax -Assets / Liabilities**

As per the Prudence Concept, Deferred Tax asset are recognized and carried forward only to the extent that there is reasonable certainty of their realization.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date, the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.



**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**14. Foreign Currency Transaction**

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

**A. Additional Information to the Restated Financial Information:-****(Amount in Lakhs)**

Particulars	Consolidated		Standalone	
	For the period ended 31/12/2024	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>1. CIF/FOB Value of Imports</b>				
Raw Material	-	-	-	-
Traded Goods	-	-	-	-
Capital Goods & Spares Parts	23.58	75.31	103.99	28.96
<b>2. Expenditure in Foreign Currency</b>				
-In respect of Bank Charges/Interest on Foreign Currency Loan/ Buyers Credit	-	-	-	-
-In respect of Foreign Travelling	-	-	-	-
-Container Freight	-	-	-	-
<b>3. Earnings in Foreign Currency</b>				
Exports (Freely Convertible Currency)	12,619.55	27,257.65	21,741.89	30626.95
Exports (In Indian Rupees to Nepal)	-	-	-	-

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**B. Disclosure regarding derivative instruments and unhedged foreign currency exposure.****(Amount in Lakhs)**

<b>Disclosure of unhedged balances</b>	<b>For the period ended 31/12/2024</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
<b>Trade Payables (including payables for capital)</b>				
In USD	-	-	-	-
In Euro	-	-	-	-
In INR	22.79	28.47	-	-
<b>Trade Receivables</b>				
In USD	-	-	-	-
In Euro	-	-	-	-
In INR	3,543.74	7,555.42	4,664.04	9,128.28

**15. Provision, Contingent Liabilities and Contingent Assets**

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**a) Provisions:**

A provision is recognized if, as a result of a past event, the Group has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

**b) Use of Estimate:**

The preparation of Restated Financial Information requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the accompanying financial statement and reported amounts of income and expense during the year. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialize.

**16. Events Occurring After Balance Sheet Date**

Material events occurring after the balance sheet are considered up to the date of approval of the accounts by the board of directors.

**17. Earnings Per Share**

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 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

## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

expense or income 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 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 potentially 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.

#### **18. Cash Flow:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### **C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS**

There have been no changes in the accounting policies of the company for the period covered under audit except change in provision for gratuity which needs to be adjusted in the Restated Financial Information.

#### **D. NOTES ON THE RESTATED FINANCIALS STATEMENTS**

1. Amounts are in lakhs except units are in actual numbers wherever required considered accordingly for respective computations.
2. The Restated Financial Statement 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 Restated Financial Information may not necessarily be same as those appearing in the Audited Consolidated/Standalone Financial Statement for the relevant years.
3. **Segment Reporting**  
The company is engaged in the business of trading, manufacturing and export of the Cotton Yarn, Cotton Bales, Open end Yarn, Cotton Seeds Oil etc. The company has only one reportable business segment.
4. **Disclosure under AS - 15 Employee Benefits**  
The benefits payable under this plan are governed by "Gratuity Act 1972". Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the member's length of services and salary at retirement age.

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

The following tables summaries the components of net benefit expense recognized in the summary statement of standalone profit or loss and the funded status and amounts recognized in the statement of standalone assets and liabilities for the respective plans.

The Company has valued its obligations related to Gratuity as follows:

(Rs. in lakhs except units are in actual numbers)

<b>I. Assumptions</b>	<b>For the Period Ended on December 31, 2024</b>	<b>For the Period Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Discount Rate	6.94% p.a.	7.21% p.a.	7.41% p.a.
Expected Rate of Salary Increase	10.00% p.a.	10.00% p.a.	10.00% p.a.
Attrition Rate	10.00% p.a.	10.00% p.a.	10.00% p.a.
Mortality Rate	IALM (2012-14) ULT	IALM (2012-14) ULT	IALM (2012-14) ULT
Retirement	58 Years	58 Years	58 Years
<b>II. Change In The Present Value Of Defined Benefit Obligations</b>	<b>For the Period Ended on December 31, 2024</b>	<b>For the Period Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Defined Benefit Obligation at beginning of the year	39.19	17.11	5.84
Current Service Cost	12.84	12.82	10.05
Interest cost	2.12	1.27	0.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.56	0.84	-1.03
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.00	0.00	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Experience Adjustments	1.03	7.14	1.86
Benefits paid by the company	0.00	0.00	0.00
Defined Benefit Obligation as at end of the year	<b>56.73</b>	<b>39.19</b>	<b>17.11</b>

<b>III. Amount Recognized In The Balance Sheet</b>	<b>For the Period Ended on December 31, 2024</b>	<b>For the Period Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Net liability as at beginning of the year	39.19	17.11	5.84
Net expense recognized in the Statement of Profit and Loss	17.55	22.07	11.28
Expected Return on Plan Assets			
Net liability as at end of the year	<b>56.73</b>	<b>39.19</b>	<b>17.11</b>

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

<b>IV. Expense Recognized</b>	<b>For the Period Ended on December 31, 2024</b>	<b>For the Period Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Current Service Cost	12.84	12.82	10.05
Interest Cost	2.12	1.27	0.40
Return on Plan Assets	0.00	0.00	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.56	0.84	-1.03
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographical Assumptions	0.00	0.00	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Experience Adjustments	1.03	7.14	1.86
Expense charged to the Statement of Profit and Loss	<b>17.55</b>	<b>22.07</b>	<b>11.28</b>
<b>V. Balance Sheet Reconciliation</b>	<b>For the Period Ended on December 31, 2024</b>	<b>For the Period Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Opening net liability	39.19	17.11	5.84
Expense as above	17.55	22.07	11.28
Provision Related to Previous Year booked as Prior Period Items	0.00	0.00	0.00
Return on Plan Assets	0.00	0.00	0.00
Benefits Paid	0.00	0.00	0.00
Net liability/(asset) recognized in the balance sheet	<b>56.73</b>	<b>39.19</b>	<b>17.11</b>

Note : Due to unavailability of information for Fiscal 2022, we are unable to provide the disclosure for the same.

**5. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2024 except as mentioned in the enclosed Annexure-H of the Restated Financial Information.

**6. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the enclosed Annexure – J of the Restated Financial Information.

**7. Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

(Amount in Rs. Lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
WDV as per Companies Act, 2013 (A)	3,952.25	3,875.70	3,299.04	1,965.00
WDV as per Income tax Act, 1961 (B)	2,247.46	2,400.49	2,266.23	1,806.27
Difference in WDV (A-B)	1,704.79	1,475.21	1,032.81	158.73
Deferred Tax (Asset)/ Liability (C)	429.61	371.75	260.27	44.16
Gratuity as per Books (D)	56.73	39.18	17.11	5.83
Gratuity as per Income Tax Act, 1961 (E)	-	-	-	-
Difference Gratuity (D-E)	(56.73)	(39.18)	(17.11)	(5.83)
Deferred Tax (Asset)/ Liability (F)	(14.30)	(9.87)	(4.31)	(1.47)
<b>Restated Closing Balance of Deferred Tax (Asset)/ Liability</b>	<b>415.31</b>	<b>361.88</b>	<b>255.95</b>	<b>42.69</b>
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	361.88	255.95	42.69	0.38
<b>Deferred Tax (Assets)/ Liability charged to Profit &amp; Loss</b>	<b>53.43</b>	<b>105.92</b>	<b>213.27</b>	<b>42.31</b>

**8. Earnings Per Share (AS 20):**

Earnings per Share have been reported in the enclosed Annexure – I of the Restated Financial Information.

**9. MSME**

Particulars	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a) The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period - Principle amount - Interest due thereon	-	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting period;	-	-	-	-

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

**10. Title deeds of immovable property: -**

According to the information and explanations given to us, the records examined by us, the title deed / lease deed of immovable properties included in Property Plant and Equipment are held in the name of company.

**11. Revaluation of property, plants and equipment's and Intangible assets: -**

The company has not revalued its Property, Plant and Equipment and Intangible assets during the reporting periods. The disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

**12. Details of Benami property held: -**

The company does not hold any benami property under the Benami Transaction (prohibition) act, 1988 and the rules there made under. Hence any proceeding has not been initiated or pending against the company for holding any benami property under the Benami Transaction (prohibition) act, 1988 and rules made there under.

**13. Borrowings from bank or financial institution on the basis of current assets: -**

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 for the month of December 31, 2024 are in agreement with the books of accounts but for rest of the month we are unable to comment due to absence of details and documents available with us for verification.

## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**14. Wilful Defaulter: -**

The company has not been declared as wilful defaulter by any bank or financial institution or government or government authority during the year reporting period.

**15. Relationship with struck off companies: -**

The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of companies act, 1956.

**16. Registration of charges or satisfaction with Registrar of companies: -**

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

**17. Compliance with number of layers of companies: -**

The Company have two subsidiaries but is in compliance with number of layers prescribed under clause (87) of section 2. Therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

**18. Compliance with approved scheme of Arrangements/ Amalgamation: -**

Company does not have made any arrangements/ amalgamation in terms of section 230 to 237 of Companies Act 2013 and hence there is no deviation to be disclosed.

**19. Utilization of borrowed funds and share premium: -**

During the period ended on December 31, 2024, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

During the period ended on December 31, 2024, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. provide any guarantee, security, or the like on behalf of the ultimate beneficiaries

**20. Corporate social responsibility (CSR).**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting education, promoting gender equality by empowering women, healthcare, environment sustainability, art and culture, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.



## **MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

### **Annexure D : Significant Accounting Policy and Notes To Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**21. Undisclosed income**

The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years 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), unless there is immunity for disclosure under any scheme.

**22. Details of crypto currency and virtual currency.**

The company has not traded or invested in crypto currency or virtual currency during the financial year.

**23. Intangible assets under development: -**

There are no Intangible assets under development in the current year.

**24. Amounts in the Restated Financial Information**

Amounts in the Restated Financial Information are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

**25. Auditors Qualifications –**

Details of Auditors qualifications and their impact on Restated Financial Information is given below.

a) Qualification which required adjustment in Restated Financial Information - Nil

b) Qualification which does not require adjustment in Restated Financial Information - Nil

**26. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**27. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure E : Statement of Adjustments to Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL INFORMATION****1. Material Regrouping:**

Appropriate adjustments have been made in the Restated Financial Information of Assets and Liabilities, Profit and Loss and Cash Flows wherever required, by reclassifying the corresponding items of incomes, expenses, assets, and liabilities to align them with the regroupings in the Restated Financial Information of the Company vis a vis in the Audited Consolidated/Standalone Financial Statement, in accordance with the requirements of SEBI Regulations and the Companies Act. However, there are no material adjustments during the reporting period.

**2. Material Adjustments:**

The Summary of results of restatement made in the Restated Financial Information for the respective period/years and its impact on the profit/(loss) of the Company is as follows:

(Amount in Rs. lakhs)

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Net Profits After Tax as per audited financial statements (A)</b>	<b>840.23</b>	<b>1,073.86</b>	<b>524.29</b>	<b>231.29</b>
<b>Add/(Less) : Adjustments on account of -</b>				
1) Provision for Outstanding Expenses	(4.00)	-	-	-
2) Difference on Account of Calculation in Deferred Tax	(13.49)	(91.28)	(47.36)	(29.28)
3) Difference on Account of Change in Provision for Tax	31.96	(22.28)	(40.17)	2.07
4) Difference on Account of Change in Provision of Depreciation	(45.08)	212.90	215.93	17.85
5) Difference on Account of Change in Provision of Gratuity	(17.55)	(22.08)	(11.27)	(5.84)
<b>Total Adjustments (B)</b>	<b>(48.15)</b>	<b>77.25</b>	<b>117.14</b>	<b>(15.20)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>792.08</b>	<b>1,151.11</b>	<b>641.44</b>	<b>216.09</b>

**Notes on Material Adjustments pertaining to prior years****(1) Provision for Outstanding Expenses**

The provision for outstanding expenses has not been recognized in the Audited Financial Statement for the nine-month period ending December 31, 2024. However, the necessary adjustments have been made in the Restated Financial Information.

**(2) Difference on Account of Calculation in Deferred Tax**

Depreciation is provided as per Income Tax Act in LLP's in Audited Consolidated Financials Statements of which effect has been given in Restated Consolidated Financials Statements as per Companies Act. Further depreciation has provided as per WDV Method in Audited Standalone/Consolidated Financials Statement of Company of which effect has been given in Restated Financials Information as per SLM Method of Companies Act. Furthermore, Gratuity provision was not made in Audited Standalone/Consolidated Financials Statement of Company of which effects has been given in Restated Financials Information as per actuarial report, due to which, Deferred Tax Calculation got changed.

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure E : Statement of Adjustments to Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**(3) Difference on Account of Change in Provision for Current Tax**

The provision for tax has been changed in Restated Financial Information in comparison to the Audited Standalone/Consolidated Financial Statements due to adjustments of depreciation, gratuity and provisions for outstanding expenses.

**(4) Difference on Account of Change in Provision of Depreciation**

Depreciation is provided as per Income Tax Act in LLP's in Audited Consolidated Financials Statements of which effect has been given in Restated Consolidated Financials Statements as per Companies Act. Further depreciation has provided as per WDV Method in Audited Standalone/Consolidated Financials Statement of Company of which effect has been given in Restated Financials Information as per SLM Method of Companies Act.

**(5) Difference on Account of Change in Provision of Gratuity**

Provision of Gratuity is not provided in Audited Standalone/Consolidated Financial Statement, of which effects has been given in Restated Financials Information.

**3. Explanatory notes to the above restatements to profits made in the audited Consolidated Restated Financial Information of the Company for the respective years:**

**Reconciliation of Equity****(Amount in Rs. lakhs)**

Particulars	Consolidated		Standalone	
	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	4,441.46	3,564.64	2,490.84	1,620.55
Add/(Less) : Adjustments on account of change in Profit/Loss	131.04	179.19	101.94	(15.20)
Add/(Less) : Adjustments on account of change in Restated Adjustments in Capital & Reserves	267.58	308.93	96.10	96.08
Total Adjustments	(398.62)	(488.12)	(198.04)	(80.88)
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>4,840.08</b>	<b>4,052.76</b>	<b>2,688.88</b>	<b>1,701.43</b>

**MILAN GINNING PRESSING LIMITED**

(Formerly known as Milan Ginning Pressing Private Limited)

**Annexure E : Statement of Adjustments to Restated Financial Information**

(All amounts in INR Lakhs, except per share data and unless otherwise stated)

**4. Adjustments having no impact on Networth and Profit:****Material Regrouping:**

Appropriate regroupings have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities to align them with the regroupings in the Restated Financial Information of the Company vis a vis in the Audited Consolidated/Standalone Financial Statement, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended). However, there are no material adjustments during the reporting period.

**FOR, G M C A & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO : 109850W**

**FOR & ON BEHALF OF BOARD OF DIRECTORS**  
**MILAN GINNING PRESSING LIMITED**

**CA AMIN G. SHAIKH**  
**PARTNER**  
**M. NO. 108894**  
**UDIN : 25108894BMKOQV2244**

**MOHMMADHASNEIN HUSENALI NARSINH**  
**MANAGING DIRECTOR**  
**DIN : 00082026**

**HUSENALI YUSUFALI NARSINH**  
**WHOLE-TIME DIRECTOR**  
**DIN : 00102874**

**DEVENDRAKUMAR YADAV**  
**CHIEF FINANCIAL OFFICER**

**YASHESH VIJAYKUMAR SHAH**  
**COMPANY SECRETARY**

**Date : June 25, 2025**  
**Place : Ahmedabad**

**Date : June 25, 2025**  
**Place : Ahmedabad**

## OTHER FINANCIAL INFORMATION

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: **Particulars Consolidated/Standalone financial information for the nine-month period ended as at December 31, 2024 and for the year ended March 31, 2024, March 31, 2023 March 31, 2022**

Particulars	Consolidated		Standalone	
	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Basic EPS (₹)	4.79	6.97	4.22	2.06
Diluted EPS (₹)	4.79	6.97	4.22	2.06
Return on Net Worth (%)	17.81%	34.15%	29.22%	13.98%
Net Asset Value per Share (₹)	29.30	24.53	28.48	28.45
Profit Before Tax (₹ Lakhs)	1,113.20	1,678.18	1,033.16	337.58
EBITDA (₹ Lakhs)	1,655.22	2,140.20	1,434.98	527.82

### Notes:

The ratios have been computed as under:

1. Basic earnings per equity share (₹) = Net profit/loss attributable to equity shareholders / weighted average number of shares outstanding during the year/period.
2. Diluted earnings per equity share (₹) = Restated profit/loss for the year/period, attributable to equity shareholders for the year / Weighted average number of diluted equity shares and potential additional equity shares outstanding during the year/period.
3. Return on Net Worth (%) = Profit after tax/ Restated Average Net worth at the end of the year/period; Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, and write-back of depreciation;
4. NAV is calculated closing net worth (sum of equity share capital, and Reserves & Surplus) divided by total number of equity shares
5. EBITDA is calculated as sum of Profit before Tax, Interest expenses, Depreciation and Amortisation and deducting Interest on FDR

For further information in relation to our other accounting ratios, see “Basis for Offer Price”, “Business Overview”, “Key Performance Indicators” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 122, 174, 174 and 243 respectively.

### Restated Financial Information

In accordance with the SEBI ICDR Regulations, the audited consolidated financial statements of our Company as of and for the nine-month period ended December 31, 2024, and for the Financial Year ended March 31, 2024, and the audited standalone financial statements for the Financial Years ended March 31, 2023 and March 31, 2022 along with the respective audit reports (collectively, the “**Restated Financial Information**”) are available on our website at <https://www.milangroupindia.com>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. Except as disclosed in this Draft Red Herring Prospectus, the Restated Financial Information and the reports thereon, do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

Except as disclosed in this Draft Red Herring Prospectus, the Restated Financial Information, and the reports thereon, should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial position and results of operations together with our Restated Financial Information which have been included in this Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 28, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our Restated Financial Information, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.*

*Our Financial year commences on April 01 and ends on March 31 of the following year, so all references to a particular Financial year (“Financial Year” or “FY”) are to the twelve-month period ended March 31 of that year.*

*The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and restated as described in the report of our statutory auditors dated June 25, 2025 which is included in this Draft Red Herring Prospectus under the section titled “Restated Financial Information” beginning on page 241 of this Draft Red Herring Prospectus. The restated financial information have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial information to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial information.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involves risks, assumptions, estimates and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors as those described under “Risk Factors” and “Forward Looking Statements” beginning on pages 28 and 20 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices.*

*The Industry-related information contained in this section is derived from the industry report titled “Cotton Industry” for “Milan Ginning Pressing Limited” issued on June 28, 2025 prepared by Infomerics Analytics & Research Private Limited. We have exclusively commissioned and paid for the Industry Report for the purpose of confirming our understanding of the Industry exclusively in connection with the offer. The Infomerics Report will form part of material documents for inspection and is available on the website of our company at <https://www.milangroupindia.com/InvestorsFile/f0a3f03a-f96e-494e-93ec-15f16dfa45f4.pdf>. For further details and risks in relation to the Industry report, see “Risk Factors- Industry information included in this Draft Red Herring Prospectus has been derived from an Industry report prepared by Infomerics Analytics & Research Private Limited” on page no 28.*

### BUSINESS OVERVIEW

Our company was incorporated as Milan Ginning Pressing Private Limited, on April 25, 1995 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Ahmedabad. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Milan Ginning Pressing Limited” and fresh Certificate of Incorporation dated June 21, 2024 was issued by the Registrar of Companies.

We are a leading player (on consolidated basis) in the manufacturing of cotton bales, open end yarn, cotton seed, cotton seed oil, cotton linter, De Oil cakes, hulls and trading of cotton bales, open end yarn, cotton yarn, fabric, polyester yarn, and other miscellaneous products. Since its incorporation in 1995 under the dynamic leadership of our Promoter, Mr. Husenali Yusufali Narsinh, the company has continually evolved to become a prominent supplier to major global markets and end-users across the world. Company operates as a well-managed company with a strong infrastructure and an extensive global network, enabling us to efficiently cater to the increasing demand for high-quality cotton products.

The company's journey began with the trading of raw cotton, gradually expanding into establishing a modernized ginning and pressing facility to serve the cotton yarn industry across the country. Today, Milan Ginning Pressing Limited is at the forefront of the cotton industry, not only supplying raw materials to textile industries but also engaging in large-scale organic contract farming. Our organic farming operations span over multiple acres of farmland, involving the support and participation of co-operative societies of farms from surrounding villages, thereby fostering sustainable agriculture practices. Additionally, we have selected farmers specifically for cultivating certified cotton, as per standards set by renowned international companies, further promoting responsible sourcing.

The Company is primarily engaged in the business of processing raw cotton into cotton bales, open end yarn and cotton seeds catering to textile manufacturers and exporters. As part of a vertically integrated group structure, its group entities further process the cotton bales into cotton yarn and finished cotton fabrics, thereby adding value across the textile supply chain. The group follows a comprehensive "Farmer to Fabric" (F2F) model, under which raw cotton is directly procured from farmers, ginned by us and thereafter spun into yarn by the group entities, which is subsequently woven or processed into fabric by the group entities. This integrated approach enables the group to maintain quality control, cost efficiency, and traceability across all stages of production, while also supporting sustainable sourcing.

Our corporate headquarters and production facility are strategically located in Limbdi, District -Surendranagar, Saurashtra, Gujarat, India, spanning an area of 22,864.75 square meter. The facility is equipped with fully automated modern ginning and pressing machinery, which have been approved under the Technology Mission on Cotton (TMC) Project by the Ministry of Textiles, Government of India, ensuring the production of AA-grade cotton bales.

As a recognized and reputed supplier in the global supply chain, Our Company has established long-standing business relationships with several renowned international brands. In response to the growing demand for cotton textiles, we are establishing a manufacturing facility to engage in dyeing and printing of cotton fabrics and to increase the production through one of our subsidiaries, MAH Textiles LLP. (MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and we are awaiting approval soon.

In addition to above our Company supplies cotton seeds to its subsidiary, KR Solvent LLP, which is involved in the extraction of non-edible cottonseed oil and in the manufacturing of by-products such as cotton linter, De Oil cakes and hulls. Some part of the items produced by KR Solvent LLP are subsequently sold to our Company as traded goods.

Our Company also supplies high-quality cotton bales to its group company, Sustainable Spinning & Commodities Private Limited, which utilizes the same for manufacturing cotton yarn. The manufactured cotton yarn is then procured by our Company from Sustainable Spinning & Commodities Private Limited and which is traded by us. Additionally, we purchase cotton waste from Sustainable Spinning & Commodities Private Limited and manufacture open end yarn from the same.

Our Company supplies cotton yarn to Sustainable Knitting LLP, which undertakes the conversion of the yarn into fabric. The fabric is subsequently procured by our Company and sold in domestic as well as international markets. Our company holds internationally recognized certifications, including Oeko-Tex Standard 100 certification, which is essential for meeting the quality and regulatory standards required for exports, to major international markets. This certification reflects our continued commitment to adhering to sustainable practices, ethical sourcing, and quality assurance.

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD BEGINNING FROM JAN'24:**

There has been No Significant development subsequent to December 31, 2024 till the date of filing DRHP.

#### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS**

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the Renewable energy/Solar Power Industry;
- Inability to successfully obtain registrations in a timely manner or at all;
- Competition from existing players;
- Company's ability to successfully implement growth strategy;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Disruption in our cotton textile business;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Recession in the market;
- Disruption in supply of Raw Materials at our production facilities;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Occurrence of Environmental Problems & Uninsured Losses;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- The timely completion of the Company's orders;

- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

#### **OUR SIGNIFICANT ACCOUNTING POLICIES:**

For Significant accounting policies please refer Significant Accounting Policies, [•] beginning under Chapter titled “Restated Financial Information” beginning on page 241 of the Draft Red Herring Prospectus.

#### **PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

**Set forth below are the principal components of statement of profit and loss from our continuing operations:**

##### **TOTAL INCOME**

Our total income comprises of (i) revenue from operations and (ii) other income.

##### ***Revenue from Operations***

Our company is engaged in production of open-end yarn, cotton bales and cotton seeds and is also into trading of multiple commodities.

##### ***Other Income***

Other Income Includes (I) Interest Income, (II) Exchange Rate Fluctuations (III) Duty Drawback Income, (IV) Commission Income, (V) Discount, Rate Difference & Written Off Balances (VI) Miscellaneous Income, (VI) Profit on Sale of Fixed Assets.

##### **TOTAL EXPENDITURE**

Our Expenses Comprise of: (I) Cost of Material Consumed; (II) Purchase of Stock in Trade; (III) Change in Inventories of Finished Goods (IV) Employee Benefits Expense; (V) Finance Costs; (VI) Depreciation and Amortization Expense; And (VII) Other Expenses.

##### ***Cost of Materials consumed***

Cost of materials consumed includes consumption of raw material (Raw Cotton, Flat Waste, Hard Waste, Noil Comber Waste, Lickrin Waste and Roving Waste etc.), Packing Material, Stores & Consumables required to manufacture the Finished products

##### ***Purchase of stock in trade***

Purchase of stock in trade includes purchase of product (Cotton Bales, Cotton Yarn, Cotton Seed Husk, Cotton Seeds Oil, De Oil Cake, Fabric etc).

##### ***Change in Inventories of Finished Goods***

Change in Inventories of Finished Goods is a difference between Inventories at the Beginning of the Year and Inventories at the end of the Year.

##### ***Employee benefits expense***

Employee benefits expenses primarily include (i) Salary, Wages and Incentives (ii) Contribution to Employee Benefits (Gratuity, Provident Fund and other funds) (iii) Director’s Remuneration/Partners Remuneration (iv) Staff Welfare expenses.

##### ***Finance cost***

Finance costs include Interest Expense, Unsecured loan Interest, Discounting Charges, Bank Charges/ BG Commission, Loan Processing Charges and Bank Charges.

##### ***Depreciation and Amortisation expenses***



Depreciation mainly includes depreciation on Company Building, Plant & Machinery, Wind Mills, Electrical Installation & Equipment, Office Equipment, Computers & Vehicles.

#### **Other Expenses**

Other expense mainly includes Direct Expenses like Freight & Transport Expenses, Power & Fuel Expenses, Factory Expense, Import/Export Charges & Indirect Administrative expenses like Certification Charges, Commission Expense, Insurance, Legal & Professional Fees, Repairs & Maintenance, Late Payment & Interest Expenses and Other Expenses.

#### **Results of Operations based on our Restated Financial Information**

The following table sets forth select financial data from our statement of profit and loss for Nine-months period ended December 31, 2024 and Financial year ended on March 31, 2024, 2023 and 2022, from Restated Financial Information, the components of which are also expressed as a percentage of total income for such periods.

Particulars	Consolidated				Standalone			
	For the period ended on December 31, 2024		For the year ended on March 31, 2024		For the year ended on March 31, 2023		For the year ended on March 31, 2022	
	(In ₹ Lakhs)	(As a % of total Income)	(In ₹ Lakhs)	(As a % of total Income)	(In ₹ Lakhs)	(As a % of total Income)	(In ₹ Lakhs)	(As a % of total Income)
Revenue from Operations	66,468.52	99.29	90,188.41	99.19	68,275.02	98.30	73,492.43	98.49
Other income	474.02	0.71	734.31	0.81	1,179.82	1.70	1,129.87	1.51
<b>Total Income (A)</b>	<b>66,942.54</b>	<b>100.00</b>	<b>90,922.73</b>	<b>100.00</b>	<b>69,454.84</b>	<b>100.00</b>	<b>74,622.31</b>	<b>100.00</b>
Purchase of Stock in Trade	53,284.48	79.60	70,685.17	77.74	43,804.53	63.07	50,215.8	67.29
Cost of Material Consumed	9,908.89	14.80	14,591.54	16.05	19,647.89	28.29	20,364.09	27.29
Change in Inventories of Finished Goods	(757.03)	(1.13)	(216.04)	(0.24)	1498.5	2.16	(179.13)	(0.24)
Employees Benefit Expenses	562.56	0.84	643.59	0.71	396.6	0.57	217.97	0.29
Finance Costs	391.60	0.58	410.44	0.45	319.62	0.46	231.3	0.31
Depreciation and Amortization	192.94	0.29	198.07	0.22	149.09	0.21	30.08	0.04
Other Expenses	2,245.90	3.35	2,982.77	3.28	2,586.43	3.72	3,337.79	4.47
<b>Total Expenses (B)</b>	<b>65,829.33</b>	<b>98.34</b>	<b>89,295.53</b>	<b>98.21</b>	<b>68,402.66</b>	<b>98.49</b>	<b>74,217.9</b>	<b>99.46</b>

<b>Restated profit before tax before exceptional and Extraordinary Items. (A-B)</b>	<b>1,113.20</b>	<b>1.66</b>	<b>1,627.20</b>	<b>1.79</b>	<b>1,052.18</b>	<b>1.51</b>	<b>404.40</b>	<b>0.54</b>
Exceptional Item	-		0.08		19.02		66.83	
Extraordinary Item	-		(51.06)		-		-	
<b>Profit Before Tax</b>	<b>1,113.20</b>	<b>1.66</b>	<b>1,678.18</b>	<b>1.85</b>	<b>1,033.16</b>	<b>1.49</b>	<b>337.58</b>	<b>0.45</b>
<b>Tax expense/(income)</b>								
Current tax	267.69		421.14		178.46		79.17	
Short/Excess Provision of Earlier Year	-		-		-		-	
Deferred Tax	53.43		105.92		213.27		42.31	
<b>Total tax expense</b>	<b>321.12</b>		<b>527.06</b>		<b>391.73</b>		<b>121.48</b>	
<b>Restated profit after tax from continuing operations</b>	<b>792.08</b>	<b>1.18</b>	<b>1,151.11</b>	<b>1.27</b>	<b>641.44</b>	<b>0.92</b>	<b>216.09</b>	<b>0.29</b>

*Nine months period ended December 31, 2024*

### **TOTAL INCOME**

Our total income comprises of revenue from operations and other income for nine months' period ended December 31, 2024 was ₹66,942.54 Lakhs.

#### ***Revenue from operations***

Our revenue from operations comprising revenue from operations for the nine-month period ended December 31, 2024 was ₹66,468.52 Lakhs and primarily constituted revenue from Trading, Manufacturing and export of the Cotton Yarn, Cotton Bales, Open end Yarn, Cotton Seeds Oil etc.

#### ***Other income***

Our other income was ₹474.02 Lakhs for nine-month period ended December 31, 2024 and primarily constituted Interest Income, Exchange Rate Fluctuations, Drawback Income, Commission Income, Profit on Sale of Fixed Assets, Discount & Rate Difference.

### **EXPENSES**

Our total expenses were ₹65,829.33 Lakhs for nine-month period ended December 31, 2024, on account of the factors discussed below.

#### ***Purchase of stock in trade***

Our purchase cost for nine months period ended December 31, 2024 was ₹ 53,284.48 Lakhs, primarily comprising purchase of product such as Cotton Bales, Cotton Yarn, Cotton Seed Husk, Cotton Seeds Oil, De Oil Cake, Fabric.

### ***Cost of material Consumed***

Our cost of material consumed for the nine months period ended December 31, 2024 was ₹9,908.89 Lakhs, primarily consisting of raw material consumption of ₹9,726.88 Lakhs and stores & consumables consumption of ₹ 182.01 Lakhs.

### ***Changes in inventories***

Expenses relating to changes in inventories (₹ 757.03) Lakhs for nine months period ended December 31, 2024, mainly due to difference between opening stock of finished goods was ₹ 4,326.75 Lakhs and closing stock of finished goods was ₹ 5,083.78 Lakhs.

### ***Employee Benefits Expense***

Our employee benefits expense was ₹ 562.56 Lakhs for the nine months period ended December 31, 2024, primarily comprising Salary, wages and incentive of ₹ 434.23 Lakhs, Contribution to Employee Benefits (Gratuity, Provident Fund and other funds) of ₹ 20.39 Lakhs, Director's Remuneration / Partners Remuneration of ₹ 4.00 Lakhs and Staff Welfare expenses of ₹ 103.94 Lakhs.

### ***Finance Costs***

Our finance costs expense was ₹ 391.60 Lakhs for the nine months period ended December 31, 2024, primarily comprising of Interest Expense of ₹ 322.78 Lakhs, Unsecured loan interest of ₹ 40.19 Lakhs Discounting Charges of ₹ 18.40 Lakhs, Bank Charges and Bank Guarantee Commission of ₹ 10.03 Lakhs and other financial Charges of ₹ 0.19 Lakhs.

### ***Depreciation and amortization expense***

Our depreciation and amortization expense were ₹ 192.94 Lakhs for nine months period ended December 31, 2024, primarily due to depreciation on Building, Plant & Machinery, Wind Mills, Electrical Installation & Equipment, Office Equipment, Computers & Vehicles.

### ***Other Expenses***

Our other expense was to ₹ 2,245.90 Lakhs for nine months period ended December 31, 2024, primarily attributed to Direct Expenses like Freight & Transport Expenses of ₹ 766.12 Lakhs, Power & Fuel Expenses of ₹ 280.80 Lakhs, Factory Expense of ₹ 259.54 Lakhs, Import/Export Charges of ₹ 57.38 Lakhs & Indirect Administrative expenses like Certification Charges of ₹ 32.72 Lakhs, Commission Expense of ₹ 329.86 Lakhs, Insurance expense of ₹ 29.83 Lakhs, Legal & Professional Fees of ₹ 28.59 Lakhs, Repairs & Maintenance of ₹ 107.01 Lakhs, Late Payment & Interest Expenses of ₹ 109.60 Lakhs and Other Expenses.

### ***Profit Before Tax***

As a result of the foregoing factors, our profit before tax for nine months period ended December 31, 2024 was ₹ 1,113.20 Lakhs.

### ***Tax Expense***

Our tax expenses for the nine months period ended December 31, 2024, were 321.12 Lakhs, comprising Current Tax of ₹ 267.69 Lakhs and Deferred Tax of ₹ 53.43 Lakhs.

### ***Profit After Tax for the period***

As a result of the foregoing factors, our profit after tax for the period was ₹ 792.08 Lakhs for nine months period ended December 31, 2024.

## **COMPARISON OF FINANCIAL YEAR 2023-24 WITH FINANCIAL YEAR 2022-23:**

### ***TOTAL INCOME***

Our total income increased by 30.91% for the FY 2023-2024 totalling to ₹ 90,922.73 lakhs as compared to ₹ 69,454.84 lakhs during FY 2022-2023 primarily due to an increase in Revenue from Operations.

### ***Revenue from operations***

Our revenue from operations increased by 32.10% for the FY 2023-2024 totalling to ₹ 90,188.41 lakhs as compared to ₹ 68,275.02 lakhs during FY 2022-2023. The increase was mainly attributable to increase in sales of products during the year. The growth was supported by improved performance in both domestic and international markets.

### **Product-Wise Revenue Bifurcation:**

(₹ in lakhs)

Particulars	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	For Year Ended March 31, 2022
<b>Revenue From Operations:</b>				
Export	12,619.55	27,257.65	21,741.89	30,626.95
Domestic	53,848.97	62,930.77	46,533.13	42,865.48
<b>Total</b>	<b>66,468.52</b>	<b>90,188.41</b>	<b>68,275.02</b>	<b>73,492.44</b>

	Consolidated		Standalone	
Particulars	For Period Ended December 31, 2024	For Year Ended March 31, 2024	For Year Ended March 31, 2023	As at March 31, 2022
<b>Export</b>	<b>12,619.55</b>	<b>27,257.65</b>	<b>21,741.89</b>	<b>30,626.95</b>
Cotton Bales	1,409.67	4,429.50	-	935.58
Cotton Yarn	8,976.47	18,387.68	19,944.20	27,544.45
Open end Yarn	75.14	1,890.75	882.75	-
Polyester Yarn	-	0.85	5.07	-
De-Oil-Cake	167.92	136.53	226.64	203.59
Fabric	1,721.32	2,150.53	301.23	1,806.03
Hulls	217.92	-	27.76	-
Cotton Linter	51.11	261.81	354.23	137.30
<b>Domestic</b>	<b>53,848.97</b>	<b>62,930.77</b>	<b>46,533.13</b>	<b>42,865.48</b>
Cotton Bales	23,223.10	38,450.99	26,747.35	27,839.39
Cotton Seeds	7.13	2,708.51	3,404.51	2,636.61
Open end Yarn	7,491.99	3,742.97	2,273.36	-
Cotton Yarn	17,845.42	14,022.68	9,987.80	10,351.87
Cotton Seeds Oil	1,672.67	2,209.64	2,056.64	971.73
De-Oil-Cake	1,776.46	174.02	-	-
Fabric	192.21	173.40	90.27	261.71
Hulls	816.05	21.19	-	-
Rod TEP Credit Script	453.82	821.30	851.53	506.83
Other Misc. Product	370.11	606.07	1,121.65	297.35
				-
<b>Total</b>	<b>66,468.52</b>	<b>90,188.41</b>	<b>68,275.02</b>	<b>73,492.43</b>

#### **Other Income**

Other income of the company decreased by (37.76%) for the FY 2023-2024 totalling to ₹ 734.31 lakhs as compared to ₹ 1,179.82 lakhs during FY 2022-2023.

- a) Exchange Rate Fluctuations decreased from ₹ 586.32 lakhs for FY 2023 to ₹ 237.73 lakhs for FY 2023-2024.
- b) Duty Drawback Income decreased from ₹ 529.65 lakhs for FY 2022-23 to ₹ 429.47 lakhs for FY 2023-2024.
- c) Commission income decreased from ₹ 57.68 lakhs for FY 2022-23 to ₹ 8.25 lakhs for FY 2023-2024.
- d) Kasar Discount & Rate Difference Expenses increased to ₹ 33.88 lakhs for FY 2023-2024.
- e) Interest income increased from ₹ 6.06 lakhs for FY 2022-23 to ₹ 8.44 lakhs for FY 2023-24.
- f) Other income increased from ₹ 0.12 lakhs for FY 2022-23 to ₹ 16.54 lakhs for FY 2023-24.

### ***EXPENDITURE:***

Our total expenses increased by 30.54% to ₹ 89,295.53 Lakhs for the Financial Year 2023-24 from ₹ 68,402.66 Lakhs for the Financial Year 2022-23. The reasons for change are discussed below:

#### ***Purchase of Stock-in-Trade***

Purchase of stock-in-trade of the company increased by 61.36% from ₹ 43,804.53 Lakhs in FY 2022-23 to ₹ 70,685.17 Lakhs for FY 2023-24. Purchase of stock-in-trade increased on account Purchases during the financial year 2023-24 in line with the increase of sales.

#### ***Cost of Materials Consumed***

Cost of Materials consumed of the company decreased by 25.73% from ₹ 19,647.89 Lakhs in FY 2022-23 to ₹ 14,591.54 Lakhs for FY 2023-24. Cost of material consumed includes consumption of Raw Material and Stores & Consumables. This decline was mainly due to lower purchases of raw materials during the year, along with decrease in closing inventory during the financial year 2023-24.

#### ***Change in Inventories of Finished Goods***

Change in inventories of the company decreased by 114.42% from ₹ 1,498.50 Lakhs in FY 2022-23 to ₹ (216.04) Lakhs for FY 2023-24

Changes in Inventories of Finished Goods of ₹ (216.04) lakhs for FY 2023-24 is due to difference between closing stock of finished goods of ₹ 4,326.75 lakhs and opening stock of finished goods of ₹ 4,110.71 lakhs.

Changes in Inventories of Finished Goods of ₹ 1,498.50 lakhs for FY 2022-23 is due to difference between closing stock of finished goods of ₹ 1,007.79 lakhs and opening stock of finished goods of ₹ 2,506.29 lakhs.

#### ***Employees Benefit Expenses***

Employee Benefit Expenses of the company increased by 62.27% from ₹ 396.60 Lakhs in FY 2022-23 to ₹ 643.59 Lakhs for FY 2023-24.

- a) Salary, Wages and incentive increased from ₹ 302.65 lakhs for FY 23-24 to ₹ 480.83 Lakhs for FY 23-24.
- b) Provident fund and Gratuity expenses increased from ₹ 12.62 lakhs for FY 22-23 to ₹ 24.20 lakhs for FY 23-24.
- c) Director's Remuneration / Partners Remuneration decreased from ₹ 9.45 lakhs for FY 22-23 to ₹ 6.72 lakhs for FY 23-24.
- d) Staff Welfare expenses increased from ₹ 71.88 lakhs for FY 22-23 to ₹ 131.83 lakhs for FY 23-24.

#### ***Financial Expenses***

Finance Cost of the company increased by 28.42% from ₹ 319.62 Lakhs in FY 2022-23 to ₹ 410.44 Lakhs for FY 2023-24.

- a) Interest expenses increased from ₹ 258.79 lakhs for FY 22-23 to ₹ 271.64 Lakhs for FY 23-24.
- b) Unsecured loan interest expense increased to ₹ 0.75 Lakhs for FY 23-24.
- c) Discounting charges increased from ₹ 5.65 lakhs for FY 22-23 to ₹ 100.43 Lakhs for FY 23-24.
- d) Bank charges and Bank Guarantee commission decreased from ₹ 54.95 lakhs for FY 22-23 to ₹ 35.73 Lakhs for FY 23-24.
- e) Other financial charges increased from ₹ 0.23 lakhs for FY 22-23 to ₹ 1.88 Lakhs for FY 23-24.

#### ***Depreciation and Amortization***

Depreciation of the company increased by 32.85% from ₹ 149.09 Lakhs in FY 2022-23 to ₹ 198.07 Lakhs for FY 2023-24. Company follows SLM method of depreciation. The increase in depreciation expense was primarily attributable to the addition of fixed assets during the preceding financial year, which resulted in a higher depreciable base for the current year.

#### ***Other Expenses***

Other Expenses of the company increased by 15.32% from ₹ 2,586.43 Lakhs in FY 2022-23 to ₹ 2,982.77 Lakhs for FY 2023-24. Other expense mainly includes Direct Expenses like Freight & Transport Expenses, Power & Fuel Expenses, Factory Expense, Import/Export Charges & Indirect Administrative expenses like Certification Charges, Commission Expense, Insurance, Legal & Professional Fees, Repairs & Maintenance, Late Payment & Interest Expenses and Other Expenses. Other Expenses increased on account of Increase in Sales & increase in Variable Expenses during the financial year 2023-24.

#### ***Profit Before Exceptional and Extraordinary Items and Tax***

Profit Before Exceptional and Extraordinary Items and Tax increased by 54.65% for the FY 2023-24 totalling to ₹ 1,627.20 lakhs as compared to ₹ 1,052.18 lakhs during the FY 2022-23. The increase in Profit Before Exceptional and Extraordinary Items And Tax is largely attributed to Export Sales and Domestic sales.

#### ***Exceptional Items***

During the Financial Year 2024, a fire broke out at our production plant in Limbdi, Gujarat, resulting in a net loss of fixed assets and stock. Accordingly, we have recognized an exceptional item of ₹0.08 Lakhs for the Financial Year 2023-24, which reflects the difference between the assessed losses and the insurance claim received.

#### ***Extraordinary Items***

During the financial year 2023–24, the scheduled installation of the windmill was not completed as per the committed timeline by the supplier. As a result, the company received compensation charges amounting to ₹51.06 lakhs from the supplier. This amount has been recognised under extraordinary items in the financial statements for the year.

#### ***Profit before Tax (PBT)***

Profit before Tax (PBT) increased by 62.43% for the FY 2023-24 totalling to ₹ 1,678.18 lakhs as compared to ₹ 1,033.16 lakhs during the FY 2022-23. The significant increase in PBT is largely attributed to Export sales and Domestic sales.

#### ***Profit after Tax (PAT)***

Profit after Tax (PAT) increased by 79.46% for the FY 2023-24 totalling to ₹ 1151.11 lakhs as compared to ₹ 641.44 lakhs during the FY 2022-23. The significant increase in PBT is largely attributed to Export sales and domestic sales.

### **COMPARISON OF FINANCIAL YEAR 2022-23 WITH FINANCIAL YEAR 2021-22:**

#### ***TOTAL INCOME:***

Our total income decreased by 6.92% from ₹ 74,622.30 Lakhs in Financial Year 2021-22 to ₹ 69,454.84 Lakhs in Financial Year 2022-23, primarily due to decrease in export sales as a result Revenue from Operations business has declined as discussed below:

#### ***Revenue from operations***

The total revenue from operations decreased by 7.10% for the FY 2022-23 totalling to ₹ 68,275.02 lakhs as compared to ₹ 73,492.43 lakhs during the FY 2021-22. The decrease was mainly attributable to decrease in Export sales of products during the year.

#### ***Other Income:***

Other income of the company increased by 4.42% for the FY 2022-23 totalling to ₹ 1,179.82 lakhs as compared to ₹ 1,129.87 lakhs during the FY 2021-22.

- a) Exchange Rate Fluctuations increased from ₹ 412.22 lakhs for FY 2021-22 to ₹ 586.32 lakhs for FY 2022-23.
- b) Duty Drawback Income increased from ₹ 419.31 lakhs for FY 2021-22 to ₹ 529.65 lakhs for FY 2022-23.

- c) Commission income decreased from ₹ 285.51 lakhs for FY 2021-22 to ₹ 57.68 lakhs for FY 2022-23.
- d) Interest income increased from ₹ 1.45 lakhs for FY 2021-22 to ₹ 6.06 lakhs for FY 2022-23.
- e) Other income decreased from ₹ 11.39 lakhs for FY 2021-22 to ₹ 0.12 lakhs for FY 2022-23.

### **EXPENDITURE:**

Our total expenses decreased by 7.84% to ₹ 68,402.66 Lakhs for the Financial Year 2022-23 from ₹ 74,217.90 Lakhs for the Financial Year 2021-22.. The reasons for change are discussed below:

#### ***Purchase of Stock-in-Trade***

Purchase of stock-in-trade of the company decreased by 12.77% from ₹ 50,215.80 Lakhs in FY 2021-22 to ₹ 43,804.53 Lakhs for FY 2022-23. Purchase of stock-in-trade decreased on account low Purchases during the financial year 2022-23 in line with the decrease of sales.

#### ***Cost of Materials consumed***

Cost of Materials consumed of the company was decreased by 3.52% from ₹ 20,364.09 Lakhs in FY 2021-22 to ₹ 19,647.89 Lakhs for FY 2022-23. Raw Material & Stores and Consumables constitutes Cost of Materials consumed for the Financial Year 2022-23. Cost of Materials consumed decreased on account decreased purchases of Raw Materials during the financial year 2022-23 in line with the decrease in sales.

#### ***Changes in Inventories of Raw Material and Finished Goods***

Change in inventories of the company increased from ₹ (179.13) Lakhs in FY 2021-22 to ₹ 1,498.50 Lakhs for FY 2023-24

Changes in Inventories of Finished Goods of ₹ 1,498.50 lakhs for FY 2022-23 is due to difference between closing stock of finished goods of ₹ 1,007.79 lakhs and opening stock of finished goods of ₹ 2,506.29 lakhs.

Changes in Inventories of Finished Goods of ₹ (179.13) lakhs for FY 2021-22 is due to difference between closing stock of finished goods of ₹ 2,506.29 lakhs and opening stock of finished goods of ₹ 2,327.16 lakhs.

#### ***Employee Benefit Expenses***

Employee Benefit Expenses of the company increased by 81.95% from ₹ 217.97 Lakhs in FY 2021-22 to ₹ 396.60 Lakhs for FY 2022-23.

- a) Salary, Wages and incentive increased from ₹ 153.82 lakhs for FY 21-22 to ₹ 302.65 Lakhs for FY 22-23.
- b) Provident fund and Gratuity expenses was reduced from ₹ 7.24 lakhs for FY 21-22 to ₹ 12.62 lakhs for FY 22-23.
- c) Director's Remuneration / Partners Remuneration decreased from ₹ 6.77 lakhs for FY 22-23 to ₹ 9.45 lakhs for FY 22-23.
- d) Staff Welfare expenses increased from ₹ 50.14 lakhs for FY 21-22 to ₹ 71.88 lakhs for FY 22-23.

#### ***Financial Expenses***

Finance Cost of the company increased by 38.18% from ₹ 231.30 Lakhs in FY 2021-22 to ₹ 319.62 Lakhs for FY 2022-23.

- a) Interest expenses increased from ₹ 161.61 lakhs for FY 21-22 to ₹ 258.79 Lakhs for FY 22-23.
- b) Discounting charges reduced from ₹28.34 lakhs for FY 21-22 to ₹ 5.65 Lakhs for FY 22-23.
- c) Bank charges and Bank Guarantee commission decreased from ₹ 40.56 lakhs for FY 21-22 to ₹ 54.95 Lakhs for FY 22-23.
- d) Other financial charges reduced from ₹ 0.79 lakhs for FY 21-22 to ₹ 0.23 Lakhs for FY 22-23.

#### ***Depreciation and Amortization***

Depreciation of the company increased by 395.64% from ₹ 30.08 Lakhs in FY 2021-22 to ₹ 149.09 Lakhs for FY 2022-23. Reason for increase in depreciation is net addition of fixed asset of ₹ 1,483.12 during FY 2022-23.

#### ***Other Expenses***

Other Expenses of the company decreased by 22.51% from ₹ 3,337.79 Lakhs in FY 2021-22 to ₹ 2,586.43 Lakhs for FY 2022-23. Other expense mainly includes Direct Expenses like Freight & Transport Expenses, Power & Fuel Expenses, Factory Expense, Import/Export Charges & Indirect Administrative expenses like Certification Charges, Commission Expense, Insurance, Legal & Professional Fees, Repairs & Maintenance, Late Payment & Interest Expenses and Other Expenses for Financial Year 2022-23. Other Expenses decreased on account of decrease in Export Sales & decrease in Variable Expenses during the financial year 2022-23.

### ***Profit Before Exceptional and Extraordinary Items and Tax***

Profit Before Exceptional And Extraordinary Items And Tax increased by 160.18% for the FY 2022-23 totalling to ₹ 1052.18 lakhs as compared to ₹ 404.40 lakhs during the FY 2021-22. The increase in Profit Before Exceptional and Extraordinary Items and, is due to increase in Other Income and decrease in the COGS.

### ***Exceptional Items***

During the Financial Year 2023, a fire broke out at our production plant in Limbdi, Gujarat, resulting in a net loss of fixed assets and stock. Accordingly, we have recognized an exceptional item of ₹19.02 Lakhs for the Financial Year 2022-23, which reflects the difference between the assessed losses and the insurance claim received.

### ***Profit before Tax (PBT)***

Profit before Tax (PBT) increased by 206.05% for the FY 2022-23 totalling to ₹ 1033.16 lakhs as compared to ₹ 337.58 lakhs during the FY 2021-22. The significant increase in PBT, from 0.45% of total revenue in FY 21-22 to 1.49% of total revenue in FY 22-23, is due to increase in other income and decrease in COGS.

### ***Profit after Tax (PAT)***

Profit after Tax (PAT) increased by 196.84% for the FY 2022-23 totalling to ₹ 641.44 lakhs as compared to ₹ 216.09 lakhs during the FY 2021-22. The significant increase in PAT is largely attributed to decrease in the COGS and increase in other income.

## **DISCUSSION ON THE STATEMENT OF CASH FLOWS**

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	As at Nine-month period ended December 31, 2024	As at March 31 2024	As at March 31 2023	As at March 31 2022
Net cash generated from / (used in) operating activities	1,124.25	(2,180.86)	913.71	2,648.42
Net cash generated from / (used in) investing activities	(234.68)	(356.82)	(1,527.14)	(1,680.54)
Net cash generated from / (used in) financing activities	(1,017.06)	2,425.91	739.00	(815.87)
<b>Cash and cash equivalents at the end of the year</b>	<b>53.77</b>	<b>181.26</b>	<b>293.03</b>	<b>167.46</b>

### **OPERATING ACTIVITIES**

**For the Period Ended December 31, 2024**, net cash generated from operating activities was ₹ 1,124.25 Lakhs. This comprised of the profit before tax of ₹ 1,113.20 Lakhs, which was primarily adjusted for depreciation expenses of ₹ 192.94 Lakhs, finance cost of ₹ 391.60 Lakhs and Interest Income of ₹ 13.89 lakhs and Adjustment on account of consolidation of ₹ 0.50 Lakhs. The resultant operating profit before working capital changes was ₹ 1,684.34 Lakhs, which was primarily adjusted for an increase in trade receivables of ₹ 2,956.19 Lakhs and increase in other current assets ₹ 461.71 Lakhs, decrease in inventories ₹ 147.27 Lakhs and increase in Loans & Advances amounting to ₹ 50.38 Lakhs respectively, increase in trade payables of ₹ 3,238.85 Lakhs & decrease in other Liabilities of ₹ 58.30 Lakhs, increase in long term provision of ₹ 17.56 Lakhs and decrease in short term provisions of ₹ 169.51 Lakhs and income tax paid of ₹ 267.69 Lakhs.

**For the Year Ended March 31, 2024**, net cash used in operating activities was ₹ 2,180.86 Lakhs. This comprised of the profit before tax of ₹ 1,678.18 Lakhs, which was primarily adjusted for depreciation expenses of ₹ 198.07 Lakhs, finance cost of ₹ 410.44 Lakhs and Interest Income of ₹ 8.44 lakhs. and Adjustment on account of consolidation of ₹ 155.51 Lakhs. The resultant operating profit before working capital changes was ₹ 2,122.74 Lakhs, which was primarily adjusted for an increase in inventories amounting to ₹ 4,091.80 Lakhs and trade



receivables of ₹ 6,684.38 Lakhs, increase in Loans and Advances of ₹ 236.85 Lakhs and increase in other current assets ₹ 1,297.08 Lakhs respectively, increase in trade payables & other Liabilities of ₹ 6,976.60 Lakhs and ₹ 1107.77 Lakhs respectively, increase in long & short term provisions of ₹ 21.94 Lakhs and ₹ 321.32 Lakhs respectively and income tax paid of ₹ 421.12 Lakhs.

**For the Year Ended March 31, 2023**, net cash generated from in operating activities was ₹ 913.73 Lakhs. This comprised of the profit before tax of ₹ 1,033.16 Lakhs, which was primarily adjusted for depreciation expenses of ₹ 149.09 Lakhs, finance cost of ₹ 319.62 Lakhs and Interest Income of ₹ 6.06 lakhs. The resultant operating profit before working capital changes was ₹ 1,495.81 Lakhs, which was primarily adjusted for decrease in inventories amounting to ₹ 810.78 Lakhs, decrease in trade receivables of ₹ 1,465.89 Lakhs, increase in Loans and Advances of ₹ 12.51 Lakhs and decrease in other current assets ₹ 586.57 Lakhs. Further decrease in trade payables & other Liabilities of ₹ 2,593.58 Lakhs and ₹ 769.26 Lakhs respectively followed by increase in long & short term provisions of ₹ 11.25 Lakhs and ₹ 97.25 Lakhs respectively and income tax paid of ₹ 178.48 Lakhs.

**For the Year Ended March 31, 2022**, net cash generated from operating activities was ₹ 2,648.42 Lakhs. This comprised of the profit before tax of ₹ 337.58 Lakhs, which was primarily adjusted for depreciation expenses of ₹ 30.08 Lakhs, finance cost of ₹ 231.30 Lakhs and Interest Income of ₹ 1.45 lakhs. The resultant operating profit before working capital changes was ₹ 597.51 Lakhs, which was primarily adjusted for an increase in inventories of ₹ 43.12 Lakhs, decrease in Loans & Advances of ₹ 37.49, decrease in trade receivables of ₹ 139.50 and increase in other current assets of ₹ 356.32 Lakhs. Further increase in trade payables & other Liabilities of ₹ 1,692.99 Lakhs and ₹ 620.56 Lakhs respectively, increase in long & Short-Term provisions of ₹ 5.74 Lakhs and ₹ 33.61 Lakhs respectively and income tax paid of ₹ 79.52 Lakhs.

### **INVESTING ACTIVITIES**

**For the Period Ended December 31, 2024**, net cash used in investing activities was ₹ 234.68 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 269.48 Lakhs, proceeds from interest income of ₹ 13.89 Lakhs and a decrease in Long Term Loans & Advances of ₹ 20.91 Lakhs.

**For the Year Ended March 31, 2024**, net cash used in investing activities was ₹ 356.82 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 314.32 Lakhs, proceeds from interest income of ₹ 8.44 Lakhs and an increase in Long Term Loans & Advances of ₹ 50.94 Lakhs.

**For the Year Ended March 31, 2023**, net cash used in investing activities was ₹ 1,527.14 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 1,483.12 Lakhs, proceeds from interest income of ₹ 6.06 Lakhs and an increase in Long Term Loans & Advances of ₹ 50.08 Lakhs.

**For the Year Ended March 31, 2022**, net cash used in investing activities was ₹ 1,680.54 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 1,630.06 Lakhs, proceeds from interest income of ₹ 1.45 Lakhs and an increase in Long Term Loans & Advances of ₹ 51.94 Lakhs.

### **FINANCING ACTIVITIES**

**For the Period Ended December 31, 2024**, net cash used in financing activities was ₹ 1,017.06 Lakhs, which predominantly comprised net decreased in borrowings of ₹ 625.46 Lakhs and finance cost paid of ₹ 391.60 Lakhs.

**For the Year Ended March 31, 2024**, net cash generated from financing activities was ₹ 2,425.91 Lakhs, which predominantly comprised net increased in borrowings of ₹ 2,836.35 Lakhs and finance cost paid of ₹ 410.44 Lakhs.

**For the Year Ended March 31, 2023**, net cash generated from financing activities was ₹ 739.00 Lakhs, which predominantly comprised net increased in borrowings of ₹ 712.61 & proceeds from issue of Share Capital amounting to ₹ 346.00 Lakhs and finance cost paid of ₹ 319.62 Lakhs.

**For the Year Ended March 31, 2022**, net cash used in financing activities was ₹ 815.87 Lakhs, which predominantly comprised net decreased in borrowings of ₹ 584.57 Lakhs and finance cost paid of ₹ 231.30 Lakhs.

#### **CAPITAL EXPENDITURE UPTO DECEMBER 2024 AND LAST THREE YEARS**

Our net capital expenditures include expenditures on tangible assets which primarily include Plant & Machinery, Building, office equipment, Electrical Installation & Equipment, vehicle and computers.

The following table sets out our net capital expenditures for the period ended December 31, 2024 and financial year ended March 31, 2024, 2023, 2022

Particulars	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
<b>A. Tangible Asset</b>				
Computer	0.50	8.91	2.44	0.46
Furniture & Fixtures	1.77	0.22	1.77	-
Office Equipment	18.48	0.43	0.16	-
Plant & Machinery	18.74	6.78	1,387.95	237.07
Electric Installation	-	-	122.87	-
Vehicle	30.39	-	-	10.16
Office Building	-	286.24	19.81	-
Wind Mill Land	-	-	20.00	-
Wind Mill	-	-	1,134.82	-
Staff Quarter	-	175.68	-	-
Marketing Yard Shop	-	-	-	-
Mobile Phone	0.40	-	-	-
<b>Total (A)</b>	<b>70.28</b>	<b>478.27</b>	<b>2,689.83</b>	<b>247.68</b>
<b>B. Intangible Assets</b>	-	-	-	-
<b>C. Land</b>	-	-	-	-
<b>D. Capital WIP</b>	<b>205.87</b>	-	<b>175.68</b>	<b>1,382.38</b>
<b>Grand Total (A+B+C+D)</b>	<b>276.15</b>	<b>478.27</b>	<b>2,865.51</b>	<b>1,630.06</b>

#### **RELATED PARTY TRANSACTIONS**

We enter into various transactions with related parties in the ordinary course of business. Primarily such transactions include remuneration to directors and their relatives, loans taken, interest paid, rent, etc. For further details relating to our Related Party Transactions, see [•] Except as disclosed in the Restated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

#### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

##### **Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### **Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

### **Foreign Currency Exchange Rate Risk**

Our Company deals in Exports and is subject to foreign currency exchange rate risk, which may affect our revenue and cash positioning.

### **Liquidity risk**

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### **Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

### **Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled “*Restated Financial Information*” beginning on page 241 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

### **Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Restated Financial Information*” beginning on page 241 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures & interest thereon or repayment of deposits & interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the nine months period ended on December 31, 2024 and three financial years ended on March 31, 2024, 2023 and 2022.

### **INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:**

#### **1. Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

#### **2. Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have 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 from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 28 of this Draft Red Herring Prospectus.

#### **3. 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*” beginning on page 28 of this Draft Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled “*Risk Factors*” beginning on page 28 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

**5. Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2023-24 compared with financial year 2022-23 and Financial Year 2022-23 Compared with Financial Year 2021-22*” above.

Our company is engaged in the business of trading, manufacturing, and export of products such as cotton yarn, cotton bales, open-end yarn, and cottonseed oil, among others. The growth in revenue is largely attributable to an increase in both domestic and export sales, and is also influenced by the price realisation of our products in the market.

**6. Total Turnover of Each Major Industry or Product Segment in Which the Issuer Operates**

Our company operates in single reportable Industry segment i.e. Textile Industry, company engage in the process of cotton ginning. Our company is involved in manufacturing and trading of products such as cotton bales, cotton seeds, cotton yarns and others.

The Turnover comparison of Listed Peers is as follow:

Particulars	Revenue from Operations			
	For the Financial Year ended/ Period on			
	December 31, 2024	March 31 2024	March 31 2023	March 31 2022
Milan Ginning Pressing Limited	66,468.52	90,188.41	68,275.02	73,492.44
Pashupati Cotspin Limited	NA	66,067.98	44,282.74	66,138.19
Axita Cotton Limited	NA	1,10,201.42	54,805.69	81,767.49

**7. Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**8. Significant dependence on a single or few suppliers or customers.**

Particulars	Revenue from Operation			
	For the Financial Year ended/ Period on			
	Consolidated		Standalone	
	December 31, 2024	March 31 2024	March 31 2023	March 31 2022
<b><u>Customer (% Contribution to Sales)</u></b>				
Customer Concentration Top 1	3.57%	12.29%	25.39%	31.35%
Customers Concentration Top 3	9.75%	18.86%	37.73%	38.71%
Customers Concentration Top 5	15.00%	24.16%	47.53%	44.18%

Customers Concentration Top 10	25.68%	34.09%	62.07%	54.83%
<b><u>Suppliers (% Contribution to Purchases)</u></b>				
Suppliers Concentration Top 1	23.56%	20.75%	28.97%	27.27%
Suppliers Concentration Top 3	30.80%	31.43%	41.52%	34.07%
Suppliers Concentration Top 5	36.22%	35.99%	46.95%	38.40%
Suppliers Concentration Top 10	43.42%	43.81%	53.92%	44.56%

#### **9. Seasonality of Business**

The raw material used by our Company is seed cotton (“Kapas”). Due to the seasonal availability of the Kapas, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season. On an average our production facilities operate for a period of approximately for 8 (eight) months in a year. During the crop season, we are able to procure the Kapas at reasonable terms and in large quantities. Whereas during the off season the availability of the Kapas is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole financial year. Due to seasonal and cyclical industry, the availability of Kapas at reasonable terms and in requisite quantities may not be available, as a result our results of operations and financial conditions may adversely affect. For further details, please refer chapter titled “*Risk Factors*” beginning on page 28 of this Draft Red Herring Prospectus.

#### **10. Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titled “*Business Overview*” beginning on page no. 174 of this Draft Red Herring Prospectus.

## CAPITALISATION STATEMENT

The following tables set forth the Company's capitalisation as of December 31, 2024 derived from the Restated Financial Information of the Company.

(₹ in Lakhs except ratios)

Sr. No.	Particulars	Pre offer (As at December 31, 2024)	Post offer
<b>1</b>	<b>Non-current borrowings:</b>		
	Secured	529.25	[●]
	Unsecured	769.86	[●]
	<b>Total non-current borrowings</b>	<b>1,299.11</b>	<b>[●]</b>
	Add: Current Maturities of Long-term Borrowings	132.00	[●]
<b>(A)</b>	<b>Non-current borrowings (Incl. current maturities of long-term borrowings)</b>	<b>1,431.11</b>	<b>[●]</b>
<b>2</b>	<b>Current borrowings</b>		
	Secured	4,178.45	[●]
	Unsecured	0.00	[●]
	<b>Total current borrowings</b>	<b>4,178.45</b>	<b>[●]</b>
	Less: Current Maturities of Long-term Borrowings	132.00	[●]
<b>(B)</b>	<b>Current borrowings (Excl. current maturities of long-term borrowings)</b>	<b>4,046.45</b>	<b>[●]</b>
<b>(C)</b>	<b>Total Debt (C = A + B)</b>	<b>5,477.56</b>	<b>[●]</b>
<b>3</b>	<b>Shareholders' funds:</b>		
<b>I</b>	Equity Share Capital	1,652.09	[●]
<b>II</b>	Other Equity	3,187.99	[●]
<b>(D)</b>	<b>Total Equity</b>	<b>4,840.08</b>	<b>[●]</b>
	<b>Total Capitalisation (C + D)</b>	<b>10,317.64</b>	<b>[●]</b>
	<b>Key Ratios:</b>		
	Non-current borrowings / Total Equity (A / D)	0.30	[●]
	Total Debt / Total Equity (C / D)	1.13	[●]

### Notes:

- The above table has been computed on the basis of the Restated Financial Information.
- The above terms carry the meaning as per Division I of Schedule III of the Companies Act, 2013.

The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage and is pending the completion of the Book Building Process and accordingly have not been provided in the above statement. Post Offer capitalisation will be determined after finalization of Offer Price.

## FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries availed loans in the ordinary course of its business for the purposes of capital expenditure, working capital, vehicle loan and other business requirements.

Our Company and our Subsidiaries has obtained the necessary consent required under the loan agreements entered into in connection with and for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents including amending the Memorandum of Association and Articles of Association of our Company, change in the management or board composition, as applicable.

A brief summary of the financial indebtedness of our outstanding borrowings, on a consolidated basis as on December 31, 2024 is set out below:

*(₹ in lakhs, unless stated otherwise)*

Category of borrowing	Sanctioned Amount	Outstanding amount as on December 31, 2024
<b>Secured</b>		
<b>Fund based borrowings</b>		
Term loans	917.00	661.25
Cash credit - Working capital	4300.00	4046.44
<b>Total fund-based borrowings (A)</b>	<b>5217.00</b>	<b>4707.69</b>
<b>Non-Fund based borrowings</b>		
Bank Guarantee	169.00	42.00
<b>Total non-fund-based borrowings (B)</b>	<b>169.00</b>	<b>42.00</b>
<b>Unsecured</b>		
Promoters and Promoter Group	N/A	253.29
Other	550.00	516.57
<b>Total unsecured borrowings (C)</b>	<b>550.00</b>	<b>769.86</b>
<b>Total borrowings (A+B+C)</b>	<b>5936.00</b>	<b>5519.55</b>

\* As certified by GMCA & Co. LLP, Chartered Accountants, pursuant to their certificate dated June 25, 2025.

### Principal terms of the financial arrangements entered into by our Company and our Subsidiaries are disclosed below:

The details provided below are indicative and there may be similar/additional terms, conditions, and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries with its lenders:

**Interest:** The interest rate payable for the secured facilities availed by our Company and our Subsidiaries typically ranges between 8.08 % per annum to 11.15 % per annum. The interest rate payable for some of the facilities is linked to MCLR or any other benchmark rate agreed with the respective lenders. All of our unsecured loans availed from Promoter and Promoter Group are interest free. Further, the interest rate payable for other unsecured loans from third parties (other than our interest free borrowings) is 11.50% per annum.

**Tenor:** Typically, the tenor of the facilities availed by our Company and our Subsidiaries ranges between 12 months to 180 months, while some of them are repayable on demand.

**Security:** In terms of our secured borrowings, we are required to, inter alia:

- (a) Furnish personal guarantees from our Promoter Minazben Husenali Narsinh, Husenali Yusufali Narsinh, Narsinh Mohammadhasnein Husenali and Narsinh Fatema Mohammadhasnein
- (b) Provide corporate guarantee from M/s Bharat Industries Proprietor Minaj Banu Narsinh; and
- (c) Create charge on certain of our movable and immovable assets, including land, buildings, receivables of the borrower or certain group companies.

**Penal Interest:** The terms of certain financing facilities availed by our Company prescribes penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission / delay in stock statement, non-submission of renewal data, non-compliance with covenants, use of funds for anything other than the purpose for which the loan was availed, non-payment / non acceptance of demand / usance bills of exchange on presenting at due dates etc.

**Pre-payment:** Some of the terms of facilities availed by our Company have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements.

**Events of Default:** The financing arrangements entered into by our Company contain standard events of default including:

- Default in performance of covenants, conditions or agreements in respect of the loan;
- Default in payment of EMIs or any other amounts due to the lender;
- Any unauthorized modification in the shareholding pattern of our Company including issuance of new shares in the share capital of our Company;
- Any action taken or legal proceedings initiated for winding up, dissolution, or reorganisation or for appointment of receiver, trustee or similar officer of any of Company's assets;
- Any information provided by our Company for financial assistance found to be misleading or incorrect in any material respect;
- For the period of overdue interest/installment in respect of Term Loans and over drawings above the drawing power/limit in Fund Based Working Capital accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc.;
- Breach of any of the provisions of any agreements with any other person or lender;
- Non-renewal of insurance policies in a timely manner or inadequate insurance cover; and
- Opening new current or other accounts, with banks outside the lending arrangement without obtaining Bank's NOC, or maintaining any current with any bank would amount to an event of default.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. Our Company is required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company, are not triggered.

**Consequences of Events of Default:** The financing arrangements entered into by our Company set out the consequences of occurrence of events of default, including:

- Obligation on part of the lender to make or continue to make the loan available, stands terminated;
- The lender may demand all or any part of the amount due together with accrued interest and all other amounts accrued shall become due and payable immediately;
- The lender may, without any prior notice to our Company, enforce any and/or all security created in its favour;
- The lender may levy additional/ default interest;
- The lender may seize, recover, collect, withdraw, receive the Hypothecated Assets and/or any income, profits and benefits thereof without interruption or hindrance by the Borrower and/or by any person;
- The lender may enter into and upon the premises of the Borrower and/or any other person who then has possession of the Hypothecated Assets;
- The lender may invoke guarantees of the guarantors or any other contractual comfort that may have been provided;
- The lender may cancel the undrawn commitment and suspend withdrawals under the facility; or
- The lender will have the right to appoint a nominee and/or observer on the Board.
- In case of default on his part to deliver possession, it shall be lawful for the Bank and its officers to take



possession of the Hypothecated Vehicle from him and sell the same by private contract or otherwise as pledgee/hypothecate/mortgagee for adjustment of the Loan account.

- In the event of default on our part in honoring the guarantee hereby provided for repayment of the Bank's dues, despite having sufficient means, the Bank shall be entitled to proceed against us to declare us as 'Willful defaulter' in accordance with guidelines/instructions issued by RBI from time to time".

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

**Restrictive Covenants:** Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:

- Enter into borrowing arrangements either secured or unsecured with any other bank/financial institutions, or otherwise or accept deposits apart from the existing arrangement;
- The Borrower agrees not to induct any person in its board of director who has been identified as willful defaulter as per directions/guidelines of RBI or Bank
- Invest by way of share capital in or lend or advance funds to or place deposits with any concern: normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended;
- Transfer of the controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel);
- Make any alteration or modifications to the Hypothecated Assets;
- Mortgage, lease, surrender or alienation of property or any part thereof;
- Enter into any agreement or arrangement with any person, institution or local or government body for the use, occupation or disposal of the property or any part thereof during the pendency of the loan;
- Enter into any scheme of merger, demerger, acquisition, reorganisation, scheme of arrangement or reconstruction;
- Declare any dividend if it fails to meet its interest payment obligations, make any investments by way of share capital or debentures and/ or advance funds to any party other than in the normal course of business;
- Recognize or register any transfer of shares in our Company's shareholding pattern/capital made or to be made by the promoters and their associates;
- Change or cause to change its shareholding pattern/ extent and nature of holding of the body corporate and/ or its directors/ partners/ designated partner and/or its constituent documents in the nature of Memorandum of Association etc.;
- Permit any significant change in the nature of business of our Company, ownership or control of our Company;
- Repay/ prepay or service any unsecured/ secured loans from the Promoter Group/ Directors and such loans from the Promoter Group/ Directors shall, during the tenor of the credit facility availed;

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company and our Subsidiaries.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see *Risk Factors on page 28*.

For further details pertaining to our indebtedness, see "*Restated Financial Information*" on page 241.

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, our Subsidiaries, Directors, Promoter and Group Company.*

*For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated May 23, 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:*

*(i) the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.*

*a. two percent of turnover, as per the last audited consolidated financial statements of the Company; or*

*b. two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;*

*c. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.,*

*Accordingly, any transaction exceeding the lower of a., b. or c. above will be considered for the above purpose; or*

*(ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and*

*(iii) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome of which would materially and adversely affect the operations or financial position of the Company.*

*It is clarified that for the purposes of the above, pre-litigation notices received/ sent by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial /arbitral forum.*

*Our Board of Directors considers dues owed by our Company to the micro, small and medium-scale undertakings and other creditors exceeding 5 % of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 23, 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.*

*All terms defined in a particular litigation are for that particular litigation only.*

#### 1. LITIGATION INVOLVING OUR COMPANY

##### **A. Litigation against our Company**

###### **1. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our Company.

###### **2. Civil Litigation**

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Company.

###### **3. Outstanding actions taken by Statutory/Regulatory Authorities**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our Company.

4. *Tax Proceedings*  
As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Company.
5. *Other Material Litigations*  
As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving the Company.
6. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*  
As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our Company.

**B. Litigation by our Company**

1. *Criminal Proceedings*  
As on the date of this Draft Red Herring Prospectus, there is no criminal Litigation initiated by our Company.
2. *Civil and other Material Litigations*  
As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by the Company.

## 2. LITIGATION INVOLVING OUR PROMOTERS

**A. Litigation against our Promoters**

1. *Criminal Proceedings*  
As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our Promoters.
2. *Civil Litigation*  
As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Promoters.
3. *Outstanding actions taken by Statutory/Regulatory Authorities*  
As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our Promoters.
4. *Tax Proceedings*  
As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Promoters.
5. *Other Material Litigations*  
As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving the Promoters.

6. *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals*

As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our Promoters.

**B. Litigation by our Promoters**

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no criminal Litigation initiated by our Promoters.

2. *Civil and other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by our Promoters.

**3. LITIGATION INVOLVING OUR DIRECTORS**

**A. Litigation against our Directors**

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our Directors.

2. *Civil Litigation*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Directors.

3. *Outstanding actions taken by Statutory/Regulatory Authorities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our Directors.

4. *Tax Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Directors.

5. *Other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving the Directors.

6. *Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals*

As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our Directors.

**B. Litigation by our Directors**

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no criminal litigation initiated by our Directors.

2. *Civil and other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by our Directors.

#### 4. LITIGATION INVOLVING OUR SUBSIDIARIES

##### A. Litigation against our Subsidiaries

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our Subsidiaries.

2. *Civil Litigation*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Subsidiaries.

3. *Outstanding actions taken by Statutory/Regulatory Authorities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our Subsidiaries.

4. *Tax Proceedings*

Except as stated below, there are no outstanding tax proceedings involving our Subsidiaries. Below are the details of pending tax proceedings specifying the number of cases pending and the total amount involved-

(₹ in lakhs)

Particulars	Number of cases		Amount involved*	
Indirect Tax				
Sales Tax/VAT		Nil		Nil
Central Excise		Nil		Nil
Customs		Nil		Nil
Service Tax		Nil		Nil
Total		Nil		Nil
Direct Tax				
Cases filed against our Subsidiaries		3		4.24
Total		3		4.24

*\*To the extent quantifiable*

Details of pending Direct Tax proceedings involving our Subsidiaries-

S.No.	Entity	Name of Authority	Notice /Order Description	Amount in Dispute (₹)	Current Status
1.	K R Solvent LLP	Assessment Unit, Income Tax Department	A notice under Section 148A(b) of the Income Tax Act was issued on	Unascertainable	The subsidiary has filed its reply dated June 05, 2025 to the notice

			March 30, 2024, for AY 2017-18, regarding re-assessment due to unexplained cash withdrawals of ₹ 3,71,70,000 and deposit of ₹ 13,70,000. This was challenged by the subsidiary which was decided in favour of the department by the Income Tax Appellate tribunal. Subsequently, a notice under Section 142(1) is issued.		issued u/s 142(1) of Income Tax Act 1961 by the Income Tax Dept. The response from the authority is awaited.
2.	K R Solvent LLP	Commissioner of Income Tax (Appeals), New Delhi	For the AY 2019-20, an assessment order u/s 147 r/w s 144B of the Income Tax Act was passed on March 10, 2025 by Assessment Unit, Income Tax Department treating purchase of goods amounting to ₹ 8,30,800 as bogus.	₹ 63,505	The LLP has filed an appeal against this demand on May 20, 2025 before the Hon'ble Commissioner of Income Tax (Appeals), New Delhi. The decision of the appeal is pending.
3.	K R Solvent LLP	Deputy Commissioner of Income Tax, Surendranagar	A demand notice dated February 5, 2020 for AY 2015-16 was issued for demand of ₹ 3,61,470. An assessment order was passed by Office of Deputy Commissioner of Income Tax Surendranagar Circle.	₹ 3,61,470	The subsidiary has filed rectification, copy of which is not available and no further action has been taken by the authority.

#### 5. Other Material Litigations

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving our Subsidiaries.

#### 6. Disciplinary action against our Subsidiaries by SEBI or any stock exchange in the last five Fiscals

As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our Subsidiaries.

**B. Litigation by our Directors**

*1. Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no criminal Litigation initiated by our Directors.

*2. Civil and other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by our Directors.

**5. LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. Litigation against our Group Companies**

*1. Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our Group Companies.

*2. Civil Litigation*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Group Companies.

*3. Outstanding actions taken by Statutory/Regulatory Authorities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our Group Companies.

*4. Tax Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Group Companies.

*5. Other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving our Group Companies.

*6. Disciplinary action against our Group Companies by SEBI or any stock exchange in the last five Fiscals*

As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our Group Companies.

**B. Litigation by our Group Companies**

*1. Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no criminal Litigation initiated by our Group Companies.

2. *Civil and other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by our Group Companies.

## 6. LITIGATION INVOLVING OUR KMP & SENIOR MANAGEMENT

### A. Litigation against our KMP & Senior Management

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no outstanding criminal litigation against our KMP & Senior Management.

2. *Civil Litigation*

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our KMP & Senior Management.

3. *Outstanding actions taken by Statutory/Regulatory Authorities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions taken by statutory/regulatory authorities against our KMP & Senior Management.

4. *Tax Proceedings*

Except as stated below, there are no outstanding tax proceedings involving our KMP & Senior Management. Below are the details of pending tax proceedings specifying the number of cases pending and the total amount involved-

(₹ in lakhs)				
Particulars	Number of cases		Amount involved*	
Indirect Tax				
Sales Tax/VAT		Nil		Nil
Central Excise		Nil		Nil
Customs		Nil		Nil
Service Tax		Nil		Nil
<b>Total</b>		Nil		Nil
Direct Tax				
Cases filed against our KMP & Senior Management		1		2.42
<b>Total</b>		1		2.42

\*To the extent quantifiable

S.No.	Individual	Name of Authority	Notice /Order Description	Amount in Dispute (₹)	Current Status
1.	Ajoy Kumar Shukla	Deputy Commissioner of Income Tax	An intimation u/s 143(1) of Income Tax Act dated October 08, 2018 for AY 2017-18 was initiated by Deputy	₹ 2,42,230 excluding interest	The assessee has not filed any response or rectification or paid demand. The demand remains outstanding.



			Commissioner of Income Tax to the assessee to pay a tax demand of ₹ 2,42,230.		
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5. *Other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other material pending litigations involving our KMP & Senior Management.

6. *Disciplinary action against our KMP & Senior Management by SEBI or any stock exchange in the last five Fiscals*

As on the date of this Draft Red Herring Prospectus, there are no actions by SEBI or any stock exchange against our KMP & Senior Management.

**B. Litigation by our KMP & Senior Management**

1. *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there is no criminal Litigation initiated by our KMP & Senior Management.

3. *Civil and other Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no other civil or material pending litigations filed by our KMP & Senior Management.

**7. OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AND OTHER CREDITORS**

Our Board, in its meeting held on May 23, 2025 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount exceeding 5 % of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company would be considered as ‘material’ creditors.

As per the latest Restated Financial Statements, our total trade payables as on December 31, 2024 were ₹ 17,823.63 lakhs and there no material creditors exist as on December 31, 2024 and hence no such disclosure of material creditors is required in this Draft Red Herring Prospectus. Based on this criteria, details of outstanding dues owed as on December 31, 2024 by our Company are set out below:

Particulars	No. of Creditors*		Amount (₹in lakhs)	
Outstanding dues to material creditors		2		9404.25
Outstanding dues to micro, small and medium enterprise	-		-	
Outstanding dues to other creditor	110		17823.63	
Outstanding dues to other than material creditors		108		8419.39
<b>Total outstanding dues</b>		<b>110</b>		<b>17823.63</b>

\*It excludes the number of farmers.

## GOVERNMENT APPROVALS

Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Offer or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all 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 the section titled **“Key Industrial Regulations and Policies”** at page 198 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **Approvals for the offer**

The following approvals have been obtained in connection with the Offer:

#### **Corporate Approvals**

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on [January 20, 2025] authorized the Offer, subject to the approval of the shareholders and such other authorities as may be necessary.
- a) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on January 21, 2025 authorized the Offer.
- b) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated [●].

#### **Approval from the Stock Exchange**

In-principal approval issued dated [●] from BSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on BSE SME, by our Company pursuant to the Offer.

#### **Agreements with NSDL and CDSL**

- a) The company has entered into an agreement dated January 23, 2024, with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.
- b) The Company has entered into an agreement dated August 28, 2024, with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
- c) The International Securities Identification Number (ISIN) of our Company is INE0T0Y01017.

#### **Lenders’ No Objection Certificate (NOC)**

The company has obtained No objection certificate from State Bank of India, SME GIDC Wadhwan Branch (05744) on October 24, 2024 for the Offer.

#### **Approvals pertaining to incorporation, name and constitution of our company**

Sr. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation of ‘Milan Ginning Pressing Private Limited’	U17119GJ1995PLC025604	The Companies Act, 1956	Registrar of Companies, Gujarat Dadra & Nagar Haveli	April 25, 1995	Valid Until Cancelled

2.	Certificate of Incorporation pursuant to change of name from 'Milan Ginning Pressing Private Limited' to 'Milan Ginning Pressing Limited'	U17119GJ1995PLC025604	The Companies Act, 1956	Registrar of Companies, Central Processing Centre	June 21, 2024	Valid Until Cancelled
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#### *Other approvals*

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### *Tax related approvals*

Sr. No.	Description	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	AABCM4050G	Income Tax Act, 1961	Income Tax Department, Government of India	June 29, 2024	Valid Until Cancelled
2.	Tax Deduction Account Number (TAN)	AHMM05426B	Income Tax Act, 1961	Income Tax Department, Government of India	June 27, 2024	Valid Until Cancelled
3.	Certificate of Registration of Goods and Services Tax	24AABCM4050G1ZX	Goods and Services Tax Act, 2017	Government of India	July 01, 2017	Valid Until Cancelled
4.	Certificate of Registration for Professional Tax (Gujarat)	0807061003	Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Gujarat Sales Tax Department	August 13, 2024	Valid Until Cancelled

#### *Business operations related approvals*

Sr. No.	Description	Registration number	Authority	Date of Certificate	Date of Expiry
1.	Registration and Licence to work a Factory at Survey no. 555 P National Highway 8 Near Sub Station, at Utadi, Limbdi, Surendranagar	<b>License No.:</b> 25712 <b>Registration No.:</b> 394/01632/1995	Gujarat Government, Directorate of Industrial Safety and Health	August 23, 2024	December 31, 2027

2.	Consent to Establish (NOC) under Section 25 of the Water Act 1974 and Section 21 of the Air Act 1981.	GPCB/RO-SRN/SRN-1557/ID-82606/2442	Gujarat Pollution Control Board, Surendranagar	August 25, 2021	July 20, 2028
3.	Consolidated Consent and Authorisation	GPCB/SRN/CCA-/ID-83606/4008 CCA NO: W-75307	Gujarat Pollution Control Board	August 17, 2024	June 30, 2039
8.	Importer Exporter Code	2407006551	Ministry of Commerce and Industry Directorate General of Foreign Trade	December 20, 2007	Valid Until Cancelled
9.	Legal Entity Identifier Code	335800292K348UL5US92	Legal Entity Identifier India Ltd.	NA	January 06, 2026
10.	Registration under Legal Metrology	GOI/GJ/2024/7264	Ministry of Consumer Affairs, Food and Public Distribution	November 27, 2024	Valid Until Cancelled
12.	Self Sealing Permission and Registration under terms of CBEC Circular No. 26/2017-Customs.	F.NO.S/14-61/EXP/SS/2018-19	Office of the Commissioner of Customs, Customs House, Gujarat, Government of India	April 26, 2018	Valid until cancelled
13.	Release order HT-Load-Extension Connection (Existing 250KVA TO 1250KVA).	Release order vide letter no: LBD/T-1/R.O/1173	Executive Engineer, Division Office, Paschim Gujarat VIJ Company Limited	March 24, 2022	Valid until Cancelled
14.	Release for Rooftop Solar PV (RTPV) System under Gujarat Solar Power Policy 2021. (400KW AC, 400KW DC) HT Connection in respect of M/S Milan Ginning & Pressing Pvt Ltd. Located at survey no.- 555, vill.: - Untadi, Taluka: limbdi, Dist: Surendranagar, under limbdi Towns/dn. (Tariff: HTP-1).	LBD/Tech-1/Rooftop/1280	Executive Engineer, Division Office, Paschim Gujarat VIJ Company Limited	March 18, 2023	Valid until Cancelled


15.	Registration for Rooftop Solar PV (RTPV) system under Gujarat Solar Power Policy – 2021, G.R. No. SLR/11/20121/77/B1 dated 29th December 2020 and amendments thereof (the “Policy”).	PG/HT /10105019	Gujarat Energy Development Agency	March 15, 2023	Valid until Cancelled
16.	Certificate of Commissioning 2.00 MW capacity wind farm consisting of 1 (One) number of new wind turbine generator.	GEDA/PWF/MGPPL/03/2022 -23/7738	Senior Project Executive (I/c), Gujarat Energy Development Agency	March 23, 2023	Valid until Cancelled
17.	Permission to convert the land into industrial purpose as per section 65-K of Land Revenue Act under the Acre 5- 26 gunthas of land (Sq. Meters - 22864.75) out of Survey No-555 of Untadi.	No. JMN/HETUFER (Change of purpose)/15/94-95	Taluka Panchayat Office, Limbdi	October 21, 1994	Valid until Cancelled

**Note:** The company is not required to obtain a Fire NOC as per notification no. GH/V/68 of 2021/AGN/102021/100/L.1 dated on July 08, 2021, as per the letter from Gujarat State Fire Prevention Services, Regional Fire Office Ahmedabad, Pragatinagar, Ahmedabad bearing reference no SFPS/RFO/AHD/FIRE SAFTEY LETTER dated June 25, 2024.

**Labour law related approvals**

Sr. No.	Description	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Registration under Employees' Provident Funds	GJRAJ0027481000	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation, Office of The Regional Provident Fund Commissioner	March 26, 2024	Valid until Cancelled
2.	Employees' State Insurance Registration	NA	NA	NA	NA	NA

**Approvals obtained/applied in relation to intellectual property right (IPR)**

Sr. No.	Particulars of the Mark	Application number	Date of application	Issuing Authority	Class	Status
1.		6592257	August 26, 2024	Trade Mark Registry	22	Formalities Check Pass

***The details of domain name registered on the name of the company***

Sr. No.	Domain Name	Name of Registrar/ IANA ID	Creation Date	Expiry Date
1.	milangroupindia.com	Dreamscape Networks International Pte Ltd	August 31, 2021	August 31, 2025

***Approvals or licenses applied but not received***

The company has applied for name change in Consent to operate and Consolidated Consent and Authorization on July 02, 2024 bearing application number PCB-ID: 83606.

The company has applied for name change in Certificate of Commissioning 2.00 MW capacity wind farm consisting of 1 (One) number of new wind turbine generator

***Approvals or licenses yet to be applied by the company***

1. The company is yet to apply for name change in Self Sealing Permission and Registration under terms of CBEC Circular No. 26/2017-Customs.

**APPROVALS AND LICENSES OF OUR SUBSIDIARY “MAH TEXTILES LLP”**

**MAH Textiles LLP**

Certificate of incorporation bearing LLP Identification Number: AAJ-3120 dated May 01, 2017, under the Limited Liability Partnership Act, 2008 issued by the Registrar, Ahmedabad. (Our Subsidiary MAH Textiles LLP has filed an application for conversion from Limited Liability Partnership to Private Limited (MAH Textiles Private Limited) with the Registrar of Companies (ROC) bearing SRN- 1-18197077488 and is awaiting approval soon.)

***Tax Related Approvals***

- a) Permanent Account Number dated May 18, 2017, issued by the Income Tax Department is ABFFM4897D.
- b) Tax Deduction Account Number dated March 01, 2019, issued by the Income Tax Department is AHMM16166D.
- c) Our Subsidiary's GST registration certificate dated December 07, 2017 issued by the Government of India is 24ABFFM4897D1Z4 (Gujarat).

***Business Related Approvals***

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	Udyog Aadhaar Registration Certificate	The ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-GJ-23-A0004713	January 01, 2020	Valid until Cancelled
2.	Import-export code	Office of Joint Director of Foreign Trade, Rajkot	ABFFM4897D	March 06, 2018	Valid until Cancelled

***Licenses / approvals which have expired and for which renewal applications have been made by our Subsidiary.***

Nil

***Licenses / approvals yet to be applied by our subsidiary***

1. Our subsidiary is yet to apply for Certificate of verification under the Legal Metrology Act

***Approvals or licenses applied by our subsidiary but not received***

Nil

***Approvals received in relation to the objects***

1. The subsidiary has received a Provisional Consent bearing CTE Order no. CTE-142700 to Establish for setting up an industrial plant/activity at survey no. 942/943, Village Untadi, Limbdi, Surendranagar from Gujarat Pollution Control Board bearing application no. 325118 on March 04, 2025 which is valid upto March 03, 2032.
2. The land situated at survey/block no. 943, covering 19,324.00 sq. mts in Mouje Untadi, Ta. Limbdi, Surendranagar, as per the order issued by the Office of the Collector & District Magistrate (786/08/10/047/2022) on August 08, 2022 is designated as non-agricultural, with approval granted for multipurpose use under Section 65 of the Gujarat Land Revenue Code, 1879.
3. The land situated at survey/block no. 942, covering 5,261.00 sq. mts in Mouje Untadi, Ta. Limbdi, Surendranagar, as per the order issued by the Office of the Collector & District Magistrate (153/08/10/047/2023) on February 10, 2023 is designated as non-agricultural, with approval granted for multipurpose use under Section 65 of the Gujarat Land Revenue Code, 1879.

**APPROVALS AND LICENSES OF OUR SUBSIDIARY “K R SOLVENT”**

**K R Solvent LLP**

Certificate of registration on conversion from “*K R Solvent*” to “*K R Solvent LLP*” bearing LLP Identification Number: AAM-0919 dated February 23, 2018 under the Limited Liability Partnership Act, 2008 issued by the Registrar, Ahmedabad.

***Tax Related Approvals***

- a) Permanent Account Number dated March 10, 2011, issued by the Income Tax Department is AALFK0505B.
- b) Tax Deduction Account Number dated May 3, 2024, issued by the Income Tax Department is AHMK06488G.
- c) Our Subsidiary’s GST registration certificate dated June 30, 2018, issued by the Government of India is 24AALFK0505B1Z1 (Gujarat).
- d) Certificate dated August 13, 2024 issued under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 for allotting registration number 061011 to our Company.
- e) Certificate dated August 13, 2024 issued under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 for allotting enrolment number 0807061011, to our Company.

***Business Related Approvals***

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration / License No.	Date of Issue/Renewal	Valid up to
3.	Udyog Aadhaar Registration Certificate	The ministry of Micro, Small and Medium Enterprises,	UDYAM-GJ-23-0000358	September 18, 2020	Valid until Cancelled

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
		Government of India			
4.	Consolidated Consent and Authorization (CC & A) under Section-25 of the Water (Prevention and Control of Pollution) Act 1974, under Section 21 of the Air (Prevention and Control of Pollution) Act- 1981 and Authorization under rule 6(2) of the Hazardous & Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the Environment (Protection) Act-1986.	Gujarat Pollution Control Board, Surendranagar	GPCB / SRN / CCA- ID- 35472/3434	March 21, 2023	December 31, 2027
5.					
6.	License to work a factory issued under Factories Act, 1948.	Assistant Director Industrial Safety and Health, Surendranagar, Gujarat State	<b>Registration No.:</b> 239/15143/2011 <b>FIN.:</b> R20014498A <b>License No.:</b> 14498	November 18, 2011	December 31, 2027
7.					
8.	Certificate for use of Boiler	Gujarat Boiler Inspection Department	CA032024-20250046250  <b>Registry No. of Boiler:</b> GT-6813	September 21, 2024	September 20, 2025
9.					
10.	Certificate of verification under the Legal Metrology Act, 2009	Weights and Measures Unit, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution	<b>Registration No. –</b> GOI/GJ/2025/216	January 09, 2025	Valid until Cancelled

*Licenses / approvals which have expired and for which renewal applications have been made by our Subsidiary.*

Nil

*Approvals or licenses yet to be applied by the company*



Nil

***Approvals or licenses applied by our subsidiary but not received***

Our subsidiary has applied for name change to Gujarat Pollution Control Board on January 24, 2025

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES

In terms of the SEBI ICDR Regulations, pursuant to a resolution of our Board dated September 16, 2024, and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer 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 241 of this Draft Red Herring Prospectus.

Accordingly, pursuant to the said resolution dated May 23, 2025 passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, following 2 companies have been identified and considered as the Group Companies of our Company:

1. Sustainable Spinning and Commodities Private Limited
2. Sustainable Smart Wear Private Limited

### A. Details of our Group Companies

#### 1. Sustainable Spinning and Commodities Private Limited

##### *Registered Office address*

The registered office of Sustainable Spinning and Commodities Private Limited is situated at Near Chorania 400KV Sub Station, Survey No. 552, Limbdi, Surendranagar, Limbdi –363421, Gujarat, India.

##### *Financial Performance*

The Financial Performance of Sustainable Spinning and Commodities Private Limited as on March 31, 2024 is as follows:

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity capital	5,854.00	5,854.00	5,854.00
Reserves and surplus (excluding revaluation)	1,288.76	1,168.25	1,256.22
Sales/ Revenue from Operations	20,585.30	23,030.39	32,570.50
Profit/(Loss) after tax	120.14	140.53	244.59
Earnings per share (₹) (Basic)	0.21	0.24	0.42
Earnings per share (₹) (Diluted)	0.21	0.24	0.42

#### 2. Sustainable Smart Wear Private Limited

##### *Registered Office address*

The registered office of Sustainable Smart Wear Private Limited is situated at Survey No.555, NH No.8, Near Chorania 400KV Sub Station, Limbdi, Surendranagar – 363421, Gujarat, India.

##### *Financial Performance*

The Financial Performance of Sustainable Smart Wear Private Limited as on as on March 31, 2024 is as follows:

(₹ in Thousand)

Particulars	March 31, 2024	March 31, 2023*
Equity capital	100	-
Reserves and surplus (excluding revaluation)	(1126.28)	0
Sales/ Revenue from Operations	442.06	0
Profit/(Loss) after tax	(1126.28)	0
Earnings per share (₹) (Basic)	(0.11)	0
Earnings per share (₹) (Diluted)	(0.11)	0

*\*Since the company was incorporated on January 2, 2023 the financial performance from Financial Year 2023 is provided.*

**Note:** *In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basic diluted earnings per share and Net Asset Value, derived from the latest audited financial statements of our group companies are available on the website of our company at [www.milangroupindia.com](http://www.milangroupindia.com)*

*It is clarified that such details available on our group company websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Company website, as mentioned above, would be doing so at their own risk.*

## **B. Litigation**

Except as disclosed under the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 263, there has been no material litigation of the Group Companies, which may directly or indirectly affect our Company.

## **C. Common pursuits**

Milan Ginning Pressing Limited, along with its group companies, Sustainable Spinning and Commodities Private Limited and Sustainable Smartwear Private Limited, shares common business pursuits within the textile value chain, including cotton processing, yarn production, and fabric manufacturing. These aligned activities are part of a deliberate vertical integration strategy to ensure supply chain efficiency, cost optimization, and quality control. The group companies are engaged in regular, arm’s length commercial transactions such as the supply and purchase of cotton bales, cotton yarn, and knitted fabric, which play a significant role in the operational and financial performance of the issuer. These transactions are material in nature and are carried out on commercial terms, with no conflict of interest arising, as each entity operates in a complementary capacity. The inter-company dealings are transparently documented, and the group’s structure supports seamless coordination across production and sales functions.

## **D. Related business transactions within our Group Companies and significance on the financial performance of our Company**

Other than the transactions disclosed in the chapter titled “*Restated Financial Information*” on page 241 of this Draft Red Herring Prospectus, there are no other related business transactions between our Group Companies and our Company.

## **E. Business Interest**

Other than the transactions disclosed in the chapter titled “*Restated Financial Information*” on page 241, our Group Companies have no business interests in our Company.

## **F. Nature and extent of interest of our Group Companies**

### *a) In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

### *b) In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

*c) In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

We confirm that there are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of our Company) and our Group Companies and its directors and partners

## SECTION – XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

#### Corporate Approvals:

The present Offer has been authorized pursuant to a resolution of our Board dated January 20, 2025 and pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated January 21, 2025 under Section 62(1)(c) of the Companies Act, 2013.

#### Offer for Sale:

Each of the Promoter Selling Shareholder have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholder	Type	Date of Authorization Letter	Equity Shares of face value of ₹ 10 each held as of date of the DRHP	Equity Shares of face value of ₹ 10 each offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital
Mohammadhasnein Husenali Narsinh	Promoter	[●]	56,17,500	1,86,250	34.00
Husenali Yusufali Narsinh	Promoter	[●]	56,16,975	1,86,250	34.00

Each of the Promoter Selling Shareholder, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

#### In-principle Approval:

Our Company has received an In-Principle Approval letter dated [●] from BSE SME for using its name in this Draft Red Herring Prospectus for listing our shares on the BSE SME. BSE is the Designated Stock Exchange for the purpose of this Offer.

### PROHIBITION BY SECURITIES MARKET REGULATORS

We confirm that our Company, Promoters, each of the Promoter Selling Shareholder, Directors, members of our Promoter Group, the persons in control of our Company, as applicable, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. There are no violations of securities laws committed by them in the past or are pending against them.

We confirm that our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters and 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.

We confirm that our Promoters or Directors have not been declared as Fugitive Economic Offenders.

### CONFIRMATIONS

1. Our Company, our Promoters and Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI in the past five years.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoters, nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or

any other governmental authority.

#### **DIRECTORS ASSOCIATE WITH THE SECURITIES MARKET**

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

#### **ELIGIBILITY FOR THE OFFER**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an Issuer, whose post-issue paid-up capital is more than ten crore rupees and upto twenty-five crores, offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE SME).

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE SME.

#### **TRACK RECORD AND OTHER ELIGIBILITY CONDITIONS OF BSE SME**

- a) Our Company is incorporated under the Companies Act, 1956.
- b) The present paid-up capital of our Company is ₹ 1,652.08 lakhs and we are proposing a fresh Issue of Up to [●] Equity Shares having face value of ₹ 10 each of our Company at an Issue Price of ₹ [●]/- per Equity Share aggregating up to ₹ 7,600 lakhs. The Offer also includes an Offer for sale comprising of 3,72,500 equity shares of face value of ₹ 10 each aggregating up to [●] lakhs by the Promoter Selling Shareholders.

*\* Subject to finalization of the Basis of Allotment*

**c) Net worth:**

Our Company satisfies the criteria of Net Worth based on the Restated Financial Statements given hereunder:

*(₹ in Lakhs)*

Particulars	For the Nine month period ended on December 31, 2024	For the financial year ended on		
		March 31, 2024	March 31, 2023	March 31, 2022
Net Worth	4840.08	4052.76	2688.88	1701.43
Share Capital	1652.09	1652.09	944.05	598.05
Reserves and Surplus	3187.99	2400.67	1744.83	1103.38

**d) Net Tangible Assets:**

The Net Tangible Assets based on Restated Financial Statements of our Company for the period ended on December 31, 2024 is ₹ 4,840.08 Lakhs and for the financial year ended on March 31, 2024 is ₹ 4,052.76 Lakhs, which is more than ₹1 crore for 2 preceding full financial years.

**e) Track Record**

Our Company was originally incorporated under the name ‘*Milan Ginning Pressing Private Limited*’, pursuant to a certificate of incorporation dated April 25, 1995 issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

Further, our Company was converted into a public limited company pursuant to a resolution passed by our Board of Directors in their meeting held on April 1, 2024 and by the Shareholders in an Extraordinary General Meeting held on April 12, 2024 and a fresh certificate of incorporation dated June 21, 2024 was issued by the Registrar of Companies, Central Processing Centre. Consequent to the conversion of our Company, the name of our Company was changed to ‘*Milan Ginning Pressing Limited*’.

Considering the financials performance of our Company in the last 3 years our Company is in the compliance with the criteria of having track record of 3 years.

**f) Earnings before Interest, Depreciation and tax:**

Our Company satisfies the criteria of having operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date based on Restated Financial Statements given hereunder:

(₹ In lakh)

Particulars	Nine month 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
Operating profit (earnings before interest, depreciation and tax and other income) from operations	1655.22	2140.2	1434.98	527.82

**g) Leverage Ratio:**

Our Debt-to-Equity Ratio as at December 31, 2024 is 1.13 times and as at March 31, 2024 is 1.51 times.

**h) Name Change:**

There has been no change in the name of our Company within the last 1 year except for change during the conversion from Milan Ginning Pressing Private Limited to Milan Ginning Pressing Limited pursuant to a special resolution passed by the shareholders of our Company on September 30, 2024.

- i) Promoters have a good track record as on date of filing of this Draft Red Herring Prospectus.
- j) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- k) There is no winding up petition against the Company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- l) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- m) The Company has a website: [www.milangroupindia.com](http://www.milangroupindia.com)

**n) Other Disclosures:**

- We have disclosed all material regulatory or disciplinary actions by a stock exchange or regulatory authority in the past one year in respect of Promoters/ promoting company(ies), group companies, companies promoted by the Promoters/ promoting company(ies) of our company in this Draft Red Herring Prospectus.
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, Promoters/promoting company(ies), group companies, companies promoted by the Promoters/ promoting company(ies) during the past three years except as mentioned in this Draft Red Herring Prospectus.
- We have disclosed the details of our Company, Promoters/promoting company(ies), group companies, companies promoted by the Promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer to the chapter titled as “Outstanding Litigations and Material Developments” beginning on page 263.
- We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic

offences etc. For details, please refer to the chapter titled as “Outstanding Litigations and Material Developments” beginning on page 263.

### **Disciplinary Action**

1. There has been no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
2. The Promoter(s) or directors are not be promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
3. Director are not be disqualified/ debarred by any of the Regulatory Authority.

### **Default**

There are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the Company, its Promoters/ Promoting Company(ies), Subsidiary Companies.

### **Other Requirements:**

- 100% of the Promoter’s shareholding in the Company is in Dematerialised form.
- The Company shall facilitate trading in demat securities and has entered into agreement with both the depositories.
- There has not been any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in principle approval.
- The net worth computation is as per the definition given in SEBI (ICDR) Regulations
- The Company has not been referred to NCLT under IBC.
- There is no winding up petition against the company, which has been admitted by the court.

As per Regulation 229(4) of the SEBI ICDR Regulations, our Company has been in existence for at least one full financial year before filing of this Draft Red Herring Prospectus and the restated financial statements of our Company prepared post conversion is in accordance with Schedule III of the Companies Act, 2013:

Provided that the restated financial statements of the Issuer Company prepared post conversion shall be in accordance with Schedule III of the Companies Act, 2013. – Complied with

As per Regulation 229(5) of the SEBI ICDR Regulations, there is no change in promoters of our company and there are no new promoter(s) of our Company who have acquired more than fifty per cent of the shareholding of the Issuer.

As per Regulation 229(6) of the SEBI ICDR Regulations, our Company fulfils the eligibility criteria of having minimum operating profits (earnings before interest, depreciation and tax) of Rs. 1 crore from operations for at least two out of the three previous financial years.

As per Regulation 230(1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Red Herring Prospectus has been filed with BSE SME and our Company shall make an application to BSE SME for listing of its Equity Shares on the SME platform of BSE. BSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement with NSDL on August 28, 2024 and with CDSL on January 9, 2024 for dematerialization of its Equity Shares already issued and proposed to be issued.
- c) The entire pre-offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters are in dematerialized form.
- e) The fund requirements set out for the Objects of the Offer are proposed to be met from the Net Proceeds, from Internal Accruals or from firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under



the SEBI ICDR Regulations. For details, please refer to the chapter titled “Objects of the Offer” beginning on page 106.

- f) Further as there is requirement of firm arrangement and the project is partially funded by the bank(s) / financial institution(s), therefore, the details regarding sanction letter(s) from the bank(s)/ financial institution(s) are disclosed in the draft offer document and offer document. For details, please refer to the chapter titled “Objects of the Offer” beginning on page 106.
- g) As there are selling shareholder in the present Offer and the limit of the size of offer for sale by selling shareholders is not exceeding twenty per cent of the total offer size.
- h) There are upto 3,72,500 shares being offered for sale by our shareholders therefore which are not exceeding fifty per cent of such selling shareholders’ pre-offer shareholding on a fully diluted basis.
- i) The objects of the Offer do not consist of repayment of loan taken from promoter, promoter group or any related party, from the offer proceeds, directly or indirectly.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230(2) of the SEBI ICDR Regulations, to the extent applicable that is the amount for general corporate purposes, as mentioned in objects of the Offer in the draft offer document and the offer document shall not exceed fifteen per cent of the amount being raised by the Issuer.

Further, our Company confirms that it is not ineligible to make the Offer 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 companies which are debarred from accessing the capital markets by the SEBI.
- c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- d) None of our Promoters or Directors is a fugitive economic offender.
- e) There are no outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer:

Provided that the provisions of this clause shall not apply to:

- (i) outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard;
- (ii) fully paid-up outstanding convertible securities which are required to be converted on or before the date of filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

In accordance with Regulation 246 of the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure that the Issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 106.

In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than two hundred, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within the time prescribed, from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of the prescribed time, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and Section 40 of the Companies Act, 2013.

In accordance with Regulation 268 (3A) of the SEBI (ICDR) Amendment 2025 subject to the availability of shares in non-institutional investors’ category, the allotment of specified securities to each non-institutional investor shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of these regulations.

In accordance with Regulation 246 (3) of the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure to submit a due-diligence certificate as per Form A of Schedule V to which the site visit report of the issuer prepared by the Book Running Lead Manager shall also be annexed, including additional confirmations as provided in Form G of Schedule V along with the draft offer document to the SME Exchange(s), where the specified securities are proposed to be listed.

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**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 AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●].**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS OFFER WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT AT AHMEDABAD, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

**DISCLAIMER CLAUSE OF THE BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

**DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS, THE PROMOTER SELLING SHAREHOLDER AND THE BOOK RUNNING LEAD MANAGER**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.milangroupindia.com](http://www.milangroupindia.com), or the websites of the members of our Promoter Group or the Promoter Selling Shareholder would be doing so at his or her own risk.

Each of the Promoter Selling Shareholder, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, and each of the Promoter Selling Shareholder, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a Selling Shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (PNB Investment Services Limited) and our Company on [●], 2024, and the Underwriting Agreement dated [●] entered into between the Underwriters, the Promoter Selling Shareholder and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, BRLM and our Company.

All information shall be made available by our Company, each of the Promoter Selling Shareholder (to the extent that the information pertains to itself and its respective portion of the Offered Shares) 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 Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

**DISCLAIMER CLAUSE OF THE PROMOTER SELLING SHAREHOLDER**

The Promoter Selling Shareholder will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Red Herring Prospectus in relation to itself and its respective portion of the offered shares.

**NOTE:**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our

Company, the Promoter Selling Shareholder, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer. The Book Running Lead Manager and its respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder, our Promoter Group, 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, the Promoter Selling Shareholder, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Gujarat 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, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares 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 U.S. Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933**

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 offered 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 offered 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.

#### **FILING OF DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with BSE SME, where the Equity Shares are proposed to be listed.

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

#### **LISTING**

Application will be made to BSE SME for obtaining permission for listing of the Equity Shares being issued and sold in the Offer on its SME Platform after the allotment in the Offer. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our Company has received an In-Principle Approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three Working Days from the Offer Closing Date.

#### **CONSENTS**

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Book Running Lead Manager, Registrar to the Offer, the Legal Advisors to the Issuer, Chartered Engineer, Banker to the Offer\*, Banker to the Company, Market Maker\* and Underwriter\* to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

*\* The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s GMCA & Co., Chartered Accountants, have provided their written consent to the inclusion of their reports dated June 26, 2025 on Restated Financial Statements and to the inclusion of their reports on Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus

## EXPERT OPINION

Except for the reports in the sections “*Statement of Special Tax Benefits*” and “*Financial Information*” on pages 131 and 241, respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has obtained expert’s opinions on chartered engineer’s report. We have received written consent from the Statutory Auditor for inclusion of their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI (ICDR) Regulations as “Expert”, defined in section 2(38) of the Companies Act 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, 1993.

## PREVIOUS PUBLIC OR RIGHTS ISSUE

Our Company has made rights issue dated March 29, 1996, September 10, 2007, December 31, 2007, January 02, 2009, February 01, 2010, October 25, 2011, September 22, 2012, March 12, 2013, December 03, 2013 and August 18, 2022 under SEBI ICDR Regulations, in the past. For details of previous issues undertaken by our Company, please refer chapter titled “*Capital Structure*” beginning on page 86 of this Draft Red Herring Prospectus.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

## CAPITAL ISSUE DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 86 our Company has not made any capital issue during the previous three years.

We do not have any listed Group Company/ Subsidiary/ Associate as on date of this Draft Red Herring Prospectus.

## PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM

### Main Board:

Price Information of past issues handled by the Book Running Lead Manager

### Price Information of past issues handled by the Book Running Lead Manager

Price Information of past issues handled by the Book Running Lead Manager

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
1.	Pyramid Technoplast Limited	1350.00	166.00	August 29, 2023	187.00	3.04 [2.98]	24.06 [2.53]	4.51 [15.05]	Pyramid Technoplast Limited	1350.00	166.0

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
2.	Shree Tirupati Balajee Agro Trading company Limited	1696.5	83.00	September 12, 2024	92.90	-7.37 [-1.67]	-7.19 [-2.94]	-41.13 [-11.38]		Shree Tirupati Balajee Agro Trading company Limited	1696.5 83.00

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
  - The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
  - Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at time of the issue, as applicable.
  - In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
  - Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.
  - Further to confirm we have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
- Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by PNB Investment Services Limited:

#### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day*		
			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 %

FY 2023-24	1	1350.00	-	-	-	-	-	1	-	-	-	-	-	1
FY 2024-2025	1	1696.5	-	-	1	-	-	-	-	1	-	-	-	-

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Break -up of past issues handled by PNB Investment Services Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2023-24	NIL	1
2024-25	NIL	1

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

2. Source: [www.bseindia.com](http://www.bseindia.com)

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	[•]	[•]

SME:

[•]

## PERFORMANCE VIS-A-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 86 of this Draft Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. None of the Entities or associates of our Company are listed on any stock exchange.

## PERFORMANCE VIS-À-VIS OBJECTS –PUBLIC/ RIGHTS ISSUE OF SUBSIDIARIES/ LISTED PROMOTERS

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter. Further, the securities of our Subsidiaries are not listed on any stock exchange.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.



In terms of SEBI Master Circular, 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, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events 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 non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being Offer closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline prescribed under the SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Priyank Shirishbhai Shah	Chairman	Independent Director
Mohammadhasnein Husenali Narsinh	Member	Chairman and Managing Director
Khushi Giriraj Laddha	Member	Independent Director

Our Company has appointed Mr. Shah Yashesh Vijaykumar, the Company Secretary and Compliance Officer, who may be contacted in case of any pre-offer or post-offer related problems at the following address:

**Mr. Shah Yashesh Vijaykumar**

**Milan Ginning Pressing Limited**

Revenue Survey No.555/P,  
Near Chorania 440KV Watt Sub Station,  
National Highway-8, Untadi, Surendra Nagar,  
Limbdi - 363 421, Gujarat, India.

**Telephone:** 027 5329 9001**E-mail:** [cs@milangroupindia.com](mailto:cs@milangroupindia.com)

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page [●] of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company or of our Promoters as on date of filing of this Draft Red Herring Prospectus.

#### **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Offer, to handle the investor grievances in coordination with the Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor’s grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

## **SECTION XIII –OFFER RELATED INFORMATION**

### **TERMS OF OFFER**

The Equity Shares being issued pursuant to this offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, ROC, RBI and / or other authorities, as in force on the date of the Offer and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further, vide the said circular, Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.

### **THE OFFER**

The offer consists of a Fresh Issue and Offer for Sale by our Company. Expenses for the offer shall be borne by our Company in the manner specified in the chapter titled "Objects of the Offer" beginning on page 106.

### **AUTHORITY FOR THE OFFER**

The present offer constitutes a fresh Issue of Up to [●] Equity Shares having face value of ₹ 10 each of our Company at an Issue Price of ₹ [●]/- per Equity Share aggregating up to ₹ 7,600 lakhs. This offer also includes an Offer for sale comprising of 3,72,500 equity shares of face value of ₹ 10 each aggregating up to [●] lakhs by the Promoter Selling Shareholder. which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 20, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on January 21, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

### **RANKING OF EQUITY SHARE**

The Equity Shares being issued and allotted pursuant to the offer shall be subject to the provisions of the Companies Act, 2013 the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled "Main Provision of Articles of Association" beginning on [●].

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and 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. For further details, please refer to chapter titled "Dividend Policy" beginning on page 240.

### **FACE VALUE, ISSUE PRICE, FLOOR 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 ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper

and regional newspaper, each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “Basis for Offer Price” beginning on page 122.

#### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & 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;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please refer to the chapter titled as “Main Provisions of Articles of Association” beginning on page 345.

#### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Offer:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated August 28, 2024.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated January 23, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29(1) of the Companies Act, 2013, the equity shares of an Issuer 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall be two lots per application, provided it shall be above ₹ 2 lakhs.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE Limited from time to time by giving prior notice to investors at large. For further details, please refer to the chapter titled “Offer Procedure” beginning on page 310.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with Regulation 268(1) of SEBI ICDR Regulations, the minimum number of allottees in the offer shall be 200 shareholders. In case, the number of prospective allottees is less than 200, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

#### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **JURISDICTION**

Exclusive Jurisdiction for the purpose of this offer is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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.

#### **NOMINATION FACILITY OF INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, 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 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. 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 to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall 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 moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre-offer capital of our Company, Promoter’s minimum contribution as provided under the chapter titled “Capital Structure” beginning on page 86 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 chapter titled “Main Provision of Articles of Association” beginning on page 345.

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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. 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 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 limit 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 value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-offer advertisements were published, within two (2) days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an offer of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### **MINIMUM SUBSCRIPTION**

This offer is not restricted to any minimum subscription level. This offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the offer through this offer document including devolvement of Underwriter, the Issuer shall refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) 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 four (4) 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 fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen percent per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information” beginning on page 73.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall be two lots per application, provided it shall be above ₹ 2 lakhs.

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 allotted will not be less than 200 (two hundred).

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **BID / OFFER PROGRAMME**

<b>Events</b>	<b>Indicative dates</b>
Bid/ Offer Opening Date	[●]
Bid/ Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*Note: 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/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked.*

*(ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock;*

*(iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock;*

*(iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer 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/Offer Closing Date by the SCSB responsible for causing such delay in unblocking.*

*The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI 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 circular dated SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated June April 02, 20, 2022 2021 and SEBI SEBI circular Circular no. No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, 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 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within three (3) Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock 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.

The SEBI is in the process of streamlining and reducing the post Offer timeline for initial public offerings. Any circulars or notifications from the SEBI after this date of the Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

## **SUBMISSION OF BIDS**

### **Bid/ Offer Period (Except the Bid/ Offer Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”).

### **Bid/ Offer Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST.

### **On the bid/ Offer 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 Individual Investors.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Individual Investors after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer 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/ Offer Opening Date till the Bid/ Offer 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.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any 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 not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchange may be taken.



Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/ Offer 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 the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases 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/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will 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 the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

#### **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a. If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b. If the paid-up Capital of our company is more than ₹ 10 Crores but below ₹ 25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Provided further that where the post-offer paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹ 25 crores, the issuer may undertake further issuance of capital without migration from SME exchange to the main board, subject to the issuer undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s).

Any company desiring to migrate to the Main board from the SME Board within two years of listing on SME Platform of BSE Limited has to fulfil following conditions:

<b>Sr. No.</b>	<b>Eligibility Criteria</b>	<b>Details</b>
1.	Paid up capital and market capitalization	<p>Paid-up capital of more than ₹10 Crores and Market Capitalisation should be minimum ₹ 25 Crores.</p> <p>(Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post offer number of equity shares.)</p>

2.	Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
3.	Financial Parameters	<ul style="list-style-type: none"> <li>The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange.</li> <li>The applicant company should have a Net worth of at least ₹ 15 crores for 2 preceding full financial years.</li> </ul>
4.	Track record of the company in terms of listing/ regulatory actions, etc.	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
5.	Regulatory action	<ul style="list-style-type: none"> <li>No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals.</li> <li>No Debarment of company, promoters/promoter group, subsidiary company by SEBI.</li> <li>No Disqualification/Debarment of directors of the company by any regulatory authority.</li> <li>The applicant company has not received any winding up petition admitted by a NCLT.</li> </ul>
6.	Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
7.	Other parameters like No. of shareholders, utilization of funds.	<ul style="list-style-type: none"> <li>No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.</li> <li>No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies.</li> <li>The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform.</li> <li>The applicant company has no pending investor complaints.</li> <li>Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.</li> </ul>

## **MARKET MAKING**

The shares issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 73.

## **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre-Offer Equity Shares and Promoter’s minimum contribution in the Offer as detailed in the chapter titled “Capital Structure” beginning on page 86 and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. 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 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 or regulations, which may occur after the date of the 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.

## **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.

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 guideline prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **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.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid-up capital is more than ₹ 10 crores and up to ₹ 25 crores (rupees twenty crores) shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue, please refer to the chapters titled “**Terms of the Offer**” and “**Offer Procedure**” beginning on pages 296 and 310 of this Draft Red Herring Prospectus.

The Initial Public Offer of up-to [●] Equity shares of ₹ 10/- each at an Offer Price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising a Fresh Issue of [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ 7,600 Lakhs and the Offer for Sale of upto 3,72,500 Equity Shares of face value of ₹ 10 each by Promoter Selling Shareholder.

*\*Subject to finalization of the Basis of Allotment*

The Offer comprises a reservation of up to [●] Equity Shares of face value of ₹ 10 each (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs for subscription by the designated Market Maker (“Market Maker Reservation Portion”) and a Net Offer to public of [●] Equity Shares of ₹ [●]/- each is hereinafter referred to as the Net Offer. The Offer and the Net Offer will constitute [●] % and [●] % respectively of the post issue paid up Equity Share Capital of our Company. The Offer is being made through the Book Building Process.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process in compliance with Regulation 252 of the SEBI ICDR Regulations:

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Individual Bidders / Investors
Number of Equity Shares available for allotment / allocation *	Upto [●] Equity Shares of face value of ₹10/- each	Not more than [●] Equity Shares face value of ₹10/- each	Not less than [●] Equity Shares face value of ₹10/- each.	Not less than [●] Equity Shares face value of ₹10/- each
Percentage of Offer Size available for allotment / allocation	[●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion.	Not less than 15% of the Net Offer, subject to the following:  (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; and (ii) two-third of the portion available to Non-Institutional	Not less than 35% of the Net Offer

		The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Bidders shall be reserved for applicants with application size of more than ₹10 lakhs	
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds</p>	<p>Subject to the availability of shares in noninstitutional investors' category, the allotment of equity shares to each non institutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.</p>	Proportionate basis subject to minimum allotment of [●] Equity Shares.

		at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Application exceeds two lots.	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Application exceeds two lots.	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the Anchor Investor portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in two lots so that the Bid Amount exceeds ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment.

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, 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.*

*(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(3) Subject to valid Bids being received at or above the Offer 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.*

*(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under “**Offer Procedure - Bids by FPIs**” on pages 310 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and allotment to Non- Institutional Investors shall be more than two lots, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see chapter titled “**Terms of the offer**” on Page 296.

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the BSE by issuing a press release and also by indicating the change on the websites of the BRLM.**

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the BSE may be taken as the final data for the purpose of Allotment.

#### **WITHDRAWAL OF THE OFFER**

In accordance with SEBI (ICDR) Regulations, the Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Offer at any time before the Bid/ Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-offer advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company and the Selling Shareholder withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will 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 Offer is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities at Surendranagar, Gujarat.

## BID/OFFERPROGRAMME

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

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/ Offer closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of bids.
- A standard cut-off time of 4.00 p.m. for uploading of bids received from other than individual applicants/ investors.
- A standard cut-off time of 5.00 p.m. for uploading of bids received from only individual applicants/ investors, which may be extended up to such time as deemed fit by BSE Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public Offer to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being Offer closing date. Our Company shall close this Offer in accordance with the timeline provided under the aforementioned circular.



## OFFER PROCEDURE

All Bidders should read the 'General Information Document for Investing in Public Offers' prepared and Offered in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum application Form. The General Information Document is available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum application Form); (vii) Designated Date; (viii) disposal of bid cum applications; (ix) submission of Bid cum application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an bid cum application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious bid cum applications; (xii) mode of making refunds; (xiii) price discovery and allocation; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI Mechanism for Individual Investors applying through Designated Intermediaries was made effective along with the process and timeline of T+6 days ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 05, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public offers.

With effect from July 01, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with timeline of T+6 days was mandated for a period of three months or launch of five main board public offers, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for bid cum applications by UPI Bidders ("UPI Phase III"), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 and made effective on a voluntary basis for all offers opening on or after September 01, 2023 and on a mandatory basis for all offers opening on or after December 01, 2023.

The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification offered by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 01, 2021, except as amended pursuant to the circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, 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 09, 2023. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.

Furthermore, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("SEBI RTA Master Circular") and circular no. 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 Bid 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, bid cum applications made using the ASBA facility in initial public offerings shall be processed only after bid cum application monies are blocked in the bank accounts of investors (all categories).*

*The BRLM shall be the nodal entity for any offers arising out of public issuance process. In terms of regulation 23(4), 23(5) and regulation 271 of SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, the timelines, processes and compensation policy shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and book running lead manager shall continue to coordinate with intermediaries involved in the said process.*

*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 is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Further, Our Company and the Book Running Lead Manager are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for Bid in this Offer.*

#### **BOOK BUILDING PROCEDURE**

This Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from 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 QIB Portion. Further, 5% of the QIB Portion (other than Anchor Investors) shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion (other than Anchor Investors) 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, wherein 1/3rd of the NII portion shall be reserved for applicants with bid cum application size of more than two lots and up to such lots equivalent to not more than ₹ 10 lakhs and 2/3rd of the NII portion shall be reserved for applicants with bid cum application size of more than ₹ 10 lakhs and not less than 35% of the Offer shall be available for allocation to Individual Investors who applies for minimum bid cum application size in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer 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 Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for Individual Investors Bidding in their Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.**

Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021, read with CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars offered in relation thereto.

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Bid cum application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our

Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Bid cum application form. The bid cum application forms may also be downloaded from the website of BSE SME i.e., [www.bseindia.com](http://www.bseindia.com). Applicants shall only use the specified Bid cum application Form for the purpose of making Bid cum application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit Bid cum 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 Bid cum application Form. Applicants shall only use the specified Bid cum application Form for the purpose of making Bid cum application in terms of this Draft Red Herring Prospectus. The Bid cum application Form shall contain space for indicating number of specified securities subscribed for in demat form.

### **Phased implementation of Unified Payments Interface**

SEBI has offered UPI Circulars in relation to streamlining the process of public offer of, among others, equity shares. Pursuant to the SEBI 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 ASBA) for Bids by UPI Bidders through designated intermediaries with the objective to reduce the time duration from public offer closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment Mechanism, the SEBI UPI Circular have introduced the UPI Mechanism in three phases in the following manner:

- **Phase I:** This phase was applicable from January 01, 2019 until March 31, 2019 or floating of five main board public offers, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Individual Investors had the option to submit the ASBA Form with any of the designated intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public offer closure to listing continue to be six Working Days.
- **Phase II:** This phase has become applicable from July 01, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of UPI with ASBA until implementation of UPI Phase III.
- **Phase III:** This phase has become applicable on a voluntary basis for all offers opening on or after September 01, 2023 and on a mandatory basis for all offers opening on or after December 01, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 ("T+3 Notification"). In this phase, the time duration from public offer closure to listing has been reduced from Six working days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification offered by the SEBI from time to time, including any circular, clarification or notification which may be offered by SEBI. This Offer will be made under UPI Phase III of the UPI Circular.

Pursuant to the SEBI UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for bid cum applications that have been made through the UPI Mechanism. The requirements of the SEBI UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted bid cum applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not 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 in this regard, the relevant SCSB as well as the post – offer BRLM will be required to compensate the concerned investor.

All SCSBs issuing the facility of making bid cum applications in public offers shall also provide the facility to make bid cum application using UPI. Our Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI Mechanism.

The processing fees for bid cum applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an bid cum application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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. NPCI vide circular reference no.

NPCI/UIP/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹2 lakhs to ₹5 lakhs for UPI based ASBA in initial public offerings.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the BRLM.

### **BID CUM APPLICATION FORM**

Copies of the Bid cum application Form (other than for Anchor Investors) and the Abridged Prospectus will be available at the offices of the BRLM, the Designated Intermediaries at relevant Bidding Centres, and at the Registered Office of our Company. The electronic copy of the Bid cum application Form will also be available for download on the website of the BSE SME ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Bid/Offer Opening Date. Copies of the Anchor Investor Bid cum application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. All ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

UPI Bidders Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the cum application Form. Bid cum application Forms that do not contain the UPI ID are liable to be rejected. Bid cum applications made by the UPI Bidder using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile bid cum applications using the UPI handles as provided on the website of SEBI. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum application Forms) and Bid cum application Forms not bearing such specified stamp may be liable for rejection.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSBs or sponsor banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Since the Offer is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) Individual Investors (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- (iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

### **Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Bid cum application Form will be available at the offices of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum application Form for various categories is as follows:

Category	Colour of Bid cum application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Individual Investors and Eligible NRIs applying on a non-repatriation basis ^	White

Non-Residents including FPIs, eligible NRIs, FIIs, FVCIs, registered bilateral and multilateral institutions etc. applying on a repatriation basis^	Blue
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*\*Excluding electronic Bid cum application Form.*

*^Electronic Bid cum application Form and the abridged prospectus will be made available for download on the website of the BSE SME (www.bseindia.com). Bid cum application Forms for Anchor Investors shall be available at the offices of the BRLM.*

**Designated Intermediaries (other than SCSBs) after accepting Bid cum application Form submitted by Individual Investors (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid cum application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for bid cum applications submitted to designated 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 bid cum application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid cum application Form for making Bid cum application in terms of the Red Herring Prospectus.**

**The Bid cum application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid cum application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique bid cum application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid cum application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Bid cum application.**

**An Investor, intending to subscribe to this Offer, 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 stock broker 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 Offer and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Individual investors submitting bid cum application with any of the entities at (2) to (5) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid cum application Form.*

*The aforesaid intermediary shall, at the time of receipt of bid cum application, give an acknowledgement to investor, by giving the counter foil or specifying the bid cum 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:**

<b>For Bid cum applications submitted by Investors to SCSB:</b>	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 bid cum application money specified.
<b>For bid cum applications submitted by investors to intermediaries other than SCSBs:</b>	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 Offer.
<b>For bid cum applications submitted by investors to</b>	After accepting the Bid cum application Form, respective intermediary shall capture and upload the relevant bid cum application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share bid

<b>intermediaries other than SCSBs with use of UPI for payment:</b>	cum 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 bid cum application, associated with UPI ID linked bank account.
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**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 re- submission 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 Bid cum 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.

For Individual Investors using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile bid cum applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("Cut- Off Time"). Accordingly, Individual Investors 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 NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate Individual Investors (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

#### **WHO CAN BID?**

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 Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Bidders is as follows:**

- a. 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 bid cum 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 Bid cum applications belonging to an account for the benefit of minor (under guardianship);
- b. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the bid cum application is being made in the name of the HUF in the Bid cum application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bid cum applications by HUFs would be considered at par with those from individuals;
- c. 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;
- d. Mutual Funds registered with SEBI;
- e. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f. 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);

- g. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder 's category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with the SEBI;
- l. 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;
- m. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q. 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;
- r. Multilateral and bilateral development financial institution;
- s. Eligible QFIs;
- t. Insurance funds set up and managed by army, navy or air force of the Union of India;
- u. Insurance funds set up and managed by the Department of Posts, India;
- v. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **BID CUM APPLICATIONS TO BE MADE BY:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. 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 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000 under 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 Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM BID CUM APPLICATION SIZE**

##### **1. For Individual Investors**

The Bid cum application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid cum application Price payable by the Applicant is above ₹ 2,00,000. In case of revision of Bid cum applications, the Individual Investors who applies for minimum bid cum application size have to ensure that the Bid cum application Price is greater than ₹ 2,00,000, as the bid cum application price payable by the Individual Investors shall be above ₹ 2,00,000.

##### **2. For Other than Individual Investors (Non-Institutional Applicants and QIBs):**

The Bid cum application must be for a minimum of such number of Equity Shares that the bid size exceeds two (02) lakhs and in multiples of [●] Equity Shares thereafter. A bid cum application cannot be

submitted for more than the Net Offer Size. However, the maximum Bid cum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid cum application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Bid cum application.

In case of revision in Bid cum applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid cum application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Bid cum 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 the Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

#### **METHOD OF BIDDING PROCESS**

**Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national daily newspaper, all editions of Hindi national newspaper, and Gujarati edition of Regional newspaper [●], where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.**

- a. The Bid/ Offer Period shall be for a minimum of three working days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional one working day, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarat edition of Regional newspaper [●], where the registered office of the company is situated, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b. During the Bid/ Offer Period, Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. The Book Running Lead Manager 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/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (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 Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer 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 Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids”.
- e. 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 Book Running Lead Manager shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.



- g. 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.
- h. 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.
- i. 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.
- j. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer 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 Offer 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 Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **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/ Offer 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 bid cum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company and Selling Shareholder may, in consultation with the BRLM, will finalize the Offer 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. Individual Investors 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. Individual Investors, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Individual Investors 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 Bidders.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **OPTIONS TO SUBSCRIBE IN THE OFFER**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

- c. A single bid cum application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS**

1. Our Company and the Book Running Lead Manager shall declare the Bid/Offer Opening Date and Bid/Offer 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 prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Offer Opening Date.
3. Copies of the Bid cum application Form along with Abridge Prospectus and copies of the Red Herring Prospectus/ Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid cum application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid cum application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their bid cum applications.
6. Bid cum application Forms 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.
7. The Bid cum application Form can be submitted either in physical or electronic mode, to the SCSBs with who 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 Individual Applicants/ Investors has 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.
8. Bidders 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. Bid cum applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Bid cum application Amount specified in the Bid cum application Form, before entering the ASBA bid cum application into the electronic system.
9. Except for bid cum 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 bid cum application 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 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 Offer will be made into the accounts of such Bidders.
10. The Bidders 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.

#### **BIDS BY HUFs**

Bids by HUFs should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum application Form/Bid cum application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Bid cum applications by HUFs will be considered at par with Bids/Bid cum applications from individuals.

## **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

## **BIDS BY ELIGIBLE NRIs**

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum application Form meant for Non-Residents (Blue in colour). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs may obtain copies of bid cum application Form from the Designated Intermediaries.

Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants offered by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such bid cum application. For details of restrictions on investment by NRIs, please refer to the chapter titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 343.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

### **Investment by NRI or OCI on non-repatriation basis:**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Offer of Security by Persons Resident outside India) Regulations - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by an NRI or OCI on non-repatriation basis - will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

## BIDS BY FPIs

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 the post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company. With effect from April 01, 2020, the aggregate limit by FPIs shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration offered under the SEBI FPI Regulations is required to be attached to the Bid cum application Form, failing which our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum application Form for Non-Residents (Blue in colour).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

To ensure compliance with the applicable limits, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall:

- i) use the PAN offered 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 Offer to ensure there is no breach of the investment limit, within the timelines for offer procedure, as prescribed by SEBI from time to time.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may offer, 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 offered overseas by an FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are offered only by persons registered as Category I FPIs, (ii) such offshore derivative instruments are offered only to persons eligible for registration as Category I FPIs, (iii) such offshore derivative instruments are offered after compliance with “know your client” norms, and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, among others, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Further, Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be regarded as multiple Bids:

- FPIs which utilise the multi-investment manager (“MIM”) structure.
- Offshore derivative instruments (“ODI”) which have obtained separate FPI registration for ODI and proprietary derivative investments.

- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration.
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs.
- Government and Government related investors registered as Category I FPIs.
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to the aforesaid seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum application Forms that the relevant FPIs making multiple Bids utilise any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation.

In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFs, VCFs AND FVCIs**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident 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.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration offered under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration offered by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 01, 2014, 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 bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 01, 2014, as amended (i) a bank's investment in the capital instruments offered by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, please refer to the chapter titled “Key Industry Regulation and Policies” beginning on page 198.

#### **BIDS BY SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars offered by the SEBI dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making bid cum 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 bid cum application in public offers and clear demarcated funds should be available in such account for such bid cum applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration offered by RBI, (ii) the last audited financial statements on a standalone/ consolidated basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars offered by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration offered by IRDAI must be attached to the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) Equity Shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or 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 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 fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, 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 (a), (b) and (c) 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 ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars offered by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with 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 attached to the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer 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 bid cum 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/ Offer 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 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200 Lakhs but up to ₹ 2500 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer 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/Offer 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 Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer 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 Offer Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
11. 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 byes.
12. . Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFER**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **OFFER PROCEDURE FOR BID CUM APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders 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 Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum 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 Bid cum application Form, please refer the above-mentioned SEBI link.

#### **TERMS OF PAYMENT**

The entire Offer price of ₹ [●] per share is payable on bid cum 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 Bid cum application to the Bidders.



SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

#### **PAYMENT MECHANISM**

The Bidders shall specify the bank account number in their Bid cum application Form and the SCSBs shall block an amount equivalent to the Bid cum application Amount in the bank account specified in the Bid Cum application Form. The SCSB shall keep the Bid cum application Amount in the relevant bank account blocked until withdrawal/ rejection of the Bid cum application or receipt of instructions from the Registrar to unblock the Bid cum application Amount. However, Non- Individual Applicants/ Investors shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum application Form or for unsuccessful Bid cum application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the bid cum application money in the relevant bank account within one day of receipt of such instruction. The Bid cum application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Bid cum application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Bid cum application by the ASBA Bidder, 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 (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Bid cum application Supported by Blocked Amount (ASBA) process for bid cum 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, Individual Investors applying in public Offer have to use UPI as a payment mechanism with Bid cum application Supported by Blocked Amount for making bid cum application.

#### **PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, 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.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: — “[●]”
- b) In case of Non-Resident Anchor Investors: — “[●]”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

#### **ELECTRONIC REGISTRATION OF BID CUM APPLICATIONS**

1. The Designated Intermediaries will register the bid cum applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the bid cum application details already uploaded before 1.00 p.m. of next Working Day from the Bid/Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - k. the bid cum applications accepted by them;
  - ii. the bid cum applications uploaded by them;
  - iii. the bid cum applications accepted but not uploaded by them; or
  - iv. With respect to bid cum applications by Bidders, bid cum applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cu Bid cum application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Bid cum

application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to:
  - i. The bid cum applications accepted by any Designated Intermediaries;
  - ii. The bid cum applications uploaded by any Designated Intermediaries; or
  - iii. The bid cum applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will Offer an electronic facility for registering bid cum applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Bid/Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of bid cum applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Bid/Offer Closing Date, the Designated Intermediaries shall upload the bid cum applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to bid cum applications by Bidders, at the time of registering such bid cum applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum application Forms to Designated Branches of the SCSBs for blocking of funds:

S.no.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Bid cum application no.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

\* Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to bid cum applications by Bidders, at the time of registering such bid cum applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid cum application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Bid cum application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid cum application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of bid cum application, give an acknowledgment to the investor, by giving the counter foil or specifying the bid cum application number to the investor, as a proof of having accepted the Bid cum application Form in physical as well as

electronic mode. The registration of the Bid cum application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Individual Investors and Individual Investors, bid cum applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject bid cum applications, except on technical grounds.
12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic bid cum application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such bid cum applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for bid cum applications.

#### **BUILD OF THE BOOK**

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

#### **WITHDRAWAL OF BIDS**

- a. Individual Investors can withdraw their Bids until Bid/ Offer Closing Date. In case an individual investor wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **PUBLIC DISCOVERY AND ALLOCATION**

- a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.
- b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Offer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Offerr, Bidders may refer to the Red Herring Prospectus.
- e. In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

#### **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 Offer; 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, Offer 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 Offerr at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **GENERAL INSTRUCTIONS**

##### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an Individual Investor bidding using the UPI Mechanism in the Bid cum application Form and if you are an Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum application Form;
5. Ensure that your Bid cum application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum application Form should contain only the name of the First Bidder whose name should also appear as the

first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum application Forms;

11. Individual Investors bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for Individual Investors using the UPI Mechanism) to make a bid cum application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum application Form, as the case may be, at the time of submission of the Bid. In case of Individual Investors submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other bid cum applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the bid cum application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. Individual Investors who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the Individual Investors ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
25. Individual Investors 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 Individual Investor

- may be deemed to have verified the attachment containing the bid cum application details of the Individual Investor in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid cum application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum application Form (Individual Investors bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
  27. 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.

The Bid cum application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Bid cum application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Individual Investors);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum application Forms or on Bid cum application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are an Individual Investor and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not an Individual Investor;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

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 Bidder. Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are an Individual Investor which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.
27. Individual Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related offers regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please refer to the sections titled “General Information” and “Our Management” beginning on pages 218 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please refer to the section titled “General Information” beginning on page 73.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by Individual Investors using the UPI Mechanism through an SCSBs and/or using a mobile bid cum application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by Individual Investors 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 persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest, money order, postal order or cash; and
13. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Individual Investors uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Offer or post Offer related offers regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “General Information” beginning on page 73.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer 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.

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 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public offer to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being offer closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA bid cum application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public offers opening on or after September 1, 2023 and on mandatory basis for public offers opening on or after December 01, 2023. Our Company may choose to close this Offer within three (03) working days, in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public offers as mentioned in SEBI circulars dated November 01, 2018, June 28, 2019, November 08, 2019, March 30, 2020, March 16, 2021, June 02, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BID CUM APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING 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.**

#### **BASIS OF ALLOCATION**

- a. The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- b. Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Offerr and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c. In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Offerr, Bidders may refer to the Red Herring Prospectus.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders other than Individual Investors may be on proportionate basis. No Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Offerr is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **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/Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the bid cum applications with third party account for rejection.
- Third party confirmation of bid cum applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM/Company for their review/comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (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 bid cum application numbers in the ascending order and generate the bucket/batch as per the allotment ratio. For example, if the bid cum 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 Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th bid cum application in each of the lot of the category and these bid cum applications 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 over subscription times.
- In categories where there is under-subscription, the Registrar will do full allotment for all valid bid cum 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.

**BASIS OF ALLOTMENT**

**a. For Individual Investors**

Bids received from the Individual Applicants/ Investors at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Applicants/ Investors will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Individual Applicants/ Investors who have Bid in the Offer at a price that is equal to or greater than the Offer Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Individual Applicants/ Investors to the extent of their valid Bids. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares 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 Offer 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 Offer Price.

The Offer size less Allotment to QIBs and Individual Investors shall be available for allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer 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 at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

The allocation in the non-institutional investors 'category shall be as follows:

- (a) one third of the portion available to non-institutional investors shall be reserved for applicants with bid cum application size of more than two lots and up to such lots equivalent to not more than ₹ 10 lakhs;
- (b) two third of the portion available to non-institutional investors shall be reserved for applicants with bid cum application size of more than ₹ 10 lakhs:

Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.”

For the method of proportionate Basis of Allotment refer below.

**c. Allotment to Anchor Investor (If Applicable)**

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Offerr, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) 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
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crore 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.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Offer 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 Offer Price. Allotment may be undertaken in the following manner:

- i) In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer 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 (b) below;
- ii) In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% 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, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

• Under-subscription below [●]% 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.

iii) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Offerr may finalise the Basis of Allotment in consultation with the SME platform of BSE. The allocation may be made in marketable lots on 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 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 the allotment will be made as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of 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, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

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, 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 Offer specified under the Capital Structure mentioned in the Red Herring Prospectus.

**Individual Investor means an investor who applies for minimum bid cum application size of two lots which shall be above ₹ 2,00,000. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with BSE SME.**

**The Executive Director / Managing Director of BSE SME - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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.**

#### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Offerr shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

3. Offerr will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Bid/Offer Closing date. The Offerr also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account.

**Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer 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 Bid/ Offer 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.

**Instructions for Completing the Bid cum application Form**

The Bid cum applications should be submitted on the prescribed Bid cum application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application Form. Bid cum applications not so made are liable to be rejected. Bid cum 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 Bid cum application Forms in public offers using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE SME i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of bid cum applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid cum application Forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the bid cum application shall be disclosed is available on the website of BSE SME i.e. [www.bseindia.com](http://www.bseindia.com).

**Bidder'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 Bid Cum application Form is mandatory and bid cum applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment 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 Offer.

By signing the Bid cum application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

**Submission of Bid cum application Form**

All Bid cum application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of bid cum application, give an acknowledgement to investor, by giving the counter foil or specifying the bid cum application number to the investor, as a proof of having accepted the Bid cum application Form, in physical or electronic mode, respectively.

**Communications**

All future communications in connection with Bid cum applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid cum application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum application Form, name and address of the Designated Intermediary where the Bid cum application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- offer or post offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Bid cum application and Bid cum application Moneys and Interest in Case of Delay**

The Company shall ensure the 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 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Bid/Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- i) Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Bid/Offer Closing Date;
- ii) Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Bid/Offer Closing Date, would be ensured; and
- iii) 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 bid cum application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 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.

***SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has reduced the time taken for listing of specified securities after the closure of public offer to 3 working days (T+3 days) as against the requirement of 6 working days (T+6 days); 'T' being offer closing date. The provisions of this circular is applicable, on voluntary basis for public offers opening on or after September 01, 2023 and on mandatory basis for public offers opening on or after December 01, 2023.***

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation BSE SME (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. 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 over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants 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).
3. For bid cum applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - I) Each successful applicant shall be allotted [●] equity shares; and
  - II) The successful applicants out of the total applicants for that category shall be determined by the drawl of 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 (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any

category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE SME - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer 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, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Offer. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Offer before filing of this Draft Red Herring Prospectus:

- i) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Offer on August 08, 2024.
- ii) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Offer on January 23, 2024.
- iii) The Company's Equity shares bear an ISIN No. NE0T0Y01017.

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 Bid cum application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum 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 Bid cum 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 Bid cum 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 Bid cum application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges 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.

#### **RIGHT TO REJECT BID CUM APPLICATIONS**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bid cum applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Individual Bidders who bids for above ₹ 2.00 Lakhs, the Company has a right to reject Bid cum application Forms based on technical grounds.

#### **PRE OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, shall announce the floor price or the price band at least two working days before the opening of the offer in the pre-offer and price band advertisement in the format specified under Part A of Schedule X in one English national daily newspaper

with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the Offerr is situated.

In the Pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date.

#### **ALLOTMENT ADVERTISEMENT**

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLM and the Registrar to the Offer, 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 Offerr 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 Offer, following the receipt of the final listing and trading approval from the Stock Exchange.

Our Company, the BRLM and the Registrar to the Offer 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 editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarat edition of regional newspaper [●], where the registered office of the company is situated.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a. Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of the Red Herring Prospectus.
- b. After signing the Underwriting Agreement, an updated Red Herring Prospectus/Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

##### ***“Any person who:***

1. makes or abets making of an bid cum application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
2. makes or abets making of multiple bid cum applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
3. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 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 one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 Lakhs or with both.

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Counsels may ensure that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (three) Working Days of the Offer Closing Date. The Registrar to the Offer may give instruction for credit of equity shares to the applicant's beneficiary account maintained with DPs, and dispatch the Allotment Advice within 2 (two) Working Days of the Offer Closing Date.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/ unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further offer of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Offer, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would offer a public notice in the newspapers in which the pre Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchange promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an offer of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

#### **UNDERTAKING BY THE SELLING SHAREHOLDER**

The Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by them for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;
- they shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of their respective portion of Offered Shares pursuant to the Offer;
- they are the legal and beneficial owner of the Equity Shares which are offered by them pursuant to the Offer for Sale and are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions;
- that they shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the extent of their respective portion of Offered Shares pursuant to the Offer;
- they shall deposit their respective portions of Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- they are not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI;
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received; and
- the filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholder from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of



themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

#### **UTILIZATION OF OFFER PROCEEDS**

Our Company and the Selling Shareholder specifically confirms that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

Details of all unutilized monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.

Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received; and

The Book Running Lead Manager will that the complaints or comments received in respect of the Offer will be attended expeditiously and satisfactorily

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. Please refer to the chapter titled “Offer Procedure” beginning on page 310.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to 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 Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. Please refer to the chapter titled “Offer Procedure” beginning on 310.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval

of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/ OfferPeriod.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues 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 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 BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them**

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF

MILAN GINNING PRESSING LIMITED

**\* The Company has Adopted new set of Articles of Association by passing Special Resolution in General Meeting dated 29th February, 2024.**

**\*\* The Name clause of the company has been changed due to Conversion of company from Private Limited to Public Limited by Passing Special Resolution in it General Meeting dated 12th April, 2024**

**\*\*The Company has adopted new set of Articles of Association by passing Special Resolution in General Meeting dated 21st January, 2025.**

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the MILAN GINNING PRESSING LIMITED (the “**Company**”) held on 21<sup>st</sup> January, 2025.*

*These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.*

The regulations contained in Table ‘F’ in the first schedule of the Companies Act, 2013 as amended from time to time, in so far as they are applicable to a public limited company, will apply to the Company save in so far as they are not inconsistent with any of the provisions contained in these Articles Any exemptions or privileges whereby provisions of any section of the Companies Act, 2013 or rules made thereunder is/are not applicable to a private limited company as may be notified from time to time (including without limitations, relaxations/exemptions to private companies vide notification No. G.S.R. 464(E) dated 5<sup>th</sup> June, 2015 and notification No. G.S.R. 583(E) dated 13<sup>th</sup> June 2017), then to that extent these Articles are deemed to have such exemptions and privileges and, such exempted section or sections or rules shall not apply to the Company.

**PART A**

**Interpretation**

1. In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subjects or context
  - a. “**Articles**” means the articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of the Act
  - b. “**the Act**” means the Companies Act, 2013, as amended, modified, supplemented or re-enacted from time to time together with the rules, circulars and notifications thereunder, as amended, modified, supplemented or re-enacted from time to time;
  - c. “**the seal**” means the common seal of the Company; and

- d. **“Company”** means **MILAN GINNING PRESSING LIMITED**.
  - e. **“Depository”** means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
  - f. **“Electronic Mode”** means carrying out electronically based, whether main server is installed in India or not, including, but not limited to:
    - i business to business and business to consumer transactions, data interchange and other digital supply transactions;
    - ii offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
    - iii financial settlements, web based marketing, advisory and transactional services, database services and products, supply chain management;
    - iv online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services;
    - v facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail address, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
    - vi posting of an electronic message board or network that the Company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting;
    - vii other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
    - viii video conferencing, audio- visual mode, net conferencing and/or any other electronic communication facility.
  - g. **“Member”** or **“Shareholder”** means member in pursuance of Section 2(55) of the Act.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **Share capital and variation of rights**

- II 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within such other period as the conditions of issue shall be provided,-
- a. one certificate for all his shares without payment of any charges; or
  - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the signature of any two directors and shall specify the shares to which it relates and the amount paid - up thereon:

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. A person subscribing to the securities (including shares) offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned, and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
4. The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.
5. Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any.
6. All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.
7. Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.
8. The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.
9. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every Certificate under the Article shall be issued without payment

of fees if the Directors so decide, or on payment of such fees (not exceeding ₹2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the 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.

The provisions of this Article shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

10. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to 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 by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
11. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. Or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
12. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
14. Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without

the sanction of the company in the General Meeting.

15. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.
16. (1) Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered:
  - (a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions:
    - i the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under Section 62 of the Companies Act, 2013 and rules made thereunder and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined
    - ii unless the articles of the Company otherwise provide, the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred above shall contain a statement of this right; and
    - iii after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or
  - (b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or
  - (c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to above, either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed in the Act and rules made thereunder.

The notice referred above shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting.

(3) Notwithstanding anything contained in this Article, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:



Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

In determining the terms and conditions of conversion in terms of the above provision, the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

Where the Government has, by an order made in terms of the above provision, directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal in terms of the above provision or where such appeal has been dismissed, the memorandum of such company shall, stand altered and the authorized share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(4) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

17. 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.

#### **Lien**

18. (i) The Company shall have a first and paramount lien-
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

19. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

20. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
21. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
22. The fully paid-up shares of the Company shall be free from all lien. In the case of partly paid shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares.

#### **Calls on shares**

23. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
24. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
26. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
27. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

29. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

### **Transfer of shares**

30. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

31. The Board may, subject to the right of appeal conferred by section 58 decline to register--

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

32. The Board may decline to recognize any instrument of transfer unless-

- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of shares.

33. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board

may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

34. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.

The instrument of transfer shall be in a common form approved by the Exchange;

35. Shares or other securities of any Member shall be freely transferable, provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.
36. In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.
37. Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register –

(a) any transfer of shares on which the company has a lien.

That registration of transfer shall however 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;

Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in or debentures of the Company.

#### **Transmission of shares**

38. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
- (ii) Nothing in Article 26(i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
39. (i) Any person becoming entitled to a share in consequence of the death or insolvency of member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-(a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
40. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall

deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of shares**

42. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
43. The notice aforesaid shall-
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
44. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
45. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
46. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
47. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration,

shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

48. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

49. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
50. Subject to the provisions of section 61, the Company may, by ordinary resolution,--
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

51. Where shares are converted into stock,--

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

52. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,--
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### **Capitalisation of profits**

53. (i) The Company in general meeting may, upon the recommendation of the Board, resolve-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in Article 41(ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article (iii), either in or towards—
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-Article 41(ii)(a) and partly in that specified in sub - Article 41(ii)(b);
  - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
54. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall--
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) Generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

55. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

### **General meetings**

56. All general meetings other than annual general meeting shall be called extraordinary general meeting.
57. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

58. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
59. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
60. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
61. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **Adjournment of meeting**

62. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**



63. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
- (a) via electronically; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
64. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
65. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
66. 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 electronically or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
67. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
68. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
69. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

70. 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.
71. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
72. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

**73. Director**

(A) The First Director of the company were:

1. Husenali Yusufali Narsinh
2. Yusufali Khushalbhai Narsinh

(B) The Present Director of the company are:

1. Mohmmadhasnein Husenali Narsinh
2. Minajbanu Husenali Narsinh
3. Husenali Yusufali Narsinh
4. Priyank Shirishbhai Shah
5. Khushi Giriraj Laddha

74. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors maybe paid all travelling, hotel and other expenses properly incurred by them—

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.

75. The Board may pay all expenses incurred in getting up and registering the Company.

76. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

77. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

78. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

79. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**Proceedings of the Board**

80. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its

meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

81. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

82. 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.

83. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

84. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

85. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

86. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

87. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

88. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

89. Subject to the provisions of the Act,--

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

90. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **The Seal**

91. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the Company shall not be affixed to any instrument except by the authority of 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 two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

[Explanation.- : For the purposes of this sub-paragraph it is hereby clarified that on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, company may not be required to have the seal by virtue of registration under the Act and if a company does not have the seal, the provisions of this subparagraph shall not be applicable.]

### **Dividends and Reserve**

92. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

93. 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.

94. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

95. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends

may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

96. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

97. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it assent.

98. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

99. 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.

100. No dividend shall bear interest against the Company accounts.

101. (i) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer

(iii) No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.

(iv) The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

(v) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the unpaid dividend account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve percent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them

### **Accounts**

102. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

### **103. Statutory Registers**

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

### **104. Foreign Registers**

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.

The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

### **Winding up**

105. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

106. Every officer of the Company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Survey No. 555/P Nr. Chorania 440, KV Watt Sub Station, National Highway 8, Utadi, Limbdi, Surendranagr – 36421, Gujarat, India from date of this Draft Red Herring Prospectus to Bid/Offer Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS TO THE OFFER

1. Offer Agreement dated June 28, 2025 between our Company, the Promoter Selling Shareholders and the Book Running Lead Manager.
2. Agreement dated June 28, 2025 between our Company, the Promoter Selling Shareholders and the Registrar to the Offer.
3. Underwriting Agreement dated [●] between our Company, the Promoter Selling Shareholders and the Underwriter.
4. Market Making Agreement dated [●] between our Company, the Promoter Selling Shareholders and the Book Running Lead Manager and the Market Maker.
5. Syndicate Agreement dated [●] between our Company, the Promoter Selling Shareholders, the Book Running Lead Manager, the Syndicate Member and the Registrar to the Offer.
6. Public Offer Account Agreement dated [●] among our Company, the Promoter Selling Shareholders the Book Running Lead Manager, the Public Offer Bank/ Banker to Offer and the Registrar to the Offer.
7. Tripartite Agreement dated [●], among NSDL, our Company, the Promoter Selling Shareholders and the Registrar to the Offer.
8. Tripartite Agreement dated [●], among CDSL, our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

#### MATERIAL DOCUMENTS TO THE OFFER

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Resolution of the Board of Directors dated January 20, 2025, authorising the Offer.
3. Resolution of the shareholders dated January 21, 2025, under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.
4. Resolution of the Board of Directors of our Company dated June 30, 2025 taking on record and approving this Draft Red Herring Prospectus.
5. Auditor's Report dated June, 25, 2025 on the Restated Financial Information of our Company included in this Draft Red Herring Prospectus.
6. The Statement of Possible Tax Benefits dated June, 25, 2025 from our Statutory Auditors included in this Draft Red Herring Prospectus.
7. Consents of Promoters, Directors, Promoter Selling Shareholder, Promoter Group, SMP, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Review Auditor, Bankers to our Company, Chartered Engineer, Banker to the Offer, the Book Running Lead Manager, the Underwriter, the Market Maker, Syndicate Member, Registrar to the Offer, Legal Advisor to act in their respective capacities.
8. Copy of approval from BSE vide letter dated [●] to use the name of BSE in the Offer Document for listing of Equity Shares on SME Platform of BSE.
9. Due Diligence Certificate dated [●] from the Book Running Lead Manager.
10. NOC from secured lenders i.e. SBI dated June, 17, 2025.
11. Certificates issued by [●], Chartered Accountants certifying the Offer Expenses, Working Capital, Net Worth, Cost of Acquisition, Other Financial Information, Financial Indebtedness, Capitalisation Statement and Key Performance Indicators.
12. Chartered Engineer Certificate on installed capacity dated May 28, 2025 from Prashant Dashputre, Independent Chartered Engineer as an expert defined under Section 2(38) of the Companies Act, 2013.
13. Factory Visit Report of our Company dated [●], issued by the Book Running Lead Manager.



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 other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

## DECLARATIONS

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI 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 SEBI Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS, CFO AND CS OF OUR COMPANY

Name	Designation	Signature
Mohammadhasnein Husenali Narsinh (DIN: 00082026)	Managing Director & Chairman	
Husenali Yusufali Narsinh (DIN: 001002874)	Whole Time Director	
Minajbanu Husenali Narsinh (DIN: 00084661)	Non-Executive Director	
Khushi Giriraj Laddha (DIN: 10597406)	Independent director	
Priyank Shirishbhai Shah (DIN: 06967625)	Independent director	
Shah Yashesh Vijaykumar	Company Secretary & Compliance Officer	
Devendra Kumar Yadav	Chief Financial Officer	

**Place:** Limbdi

**Date:** June 30, 2025