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KAYTEX FABRICS LIMITED

Our company was incorporated as a private limited company under the name “Kaytex Fabrics Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 29, 1996 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on December 05, 2024 and the name of our Company was changed to “Kaytex Fabrics Limited” with a fresh certificate of incorporation dated December 19, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre. For further details on incorporation and registered office of our Company, see “History and Certain Corporate Matters” on page 249.

Corporate Identification Number: U18101PB1996PLC017639;

Registered & Corporate Office: Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India;

Contact Person: Rubina Mahajan, Company Secretary and Compliance Officer;

Telephone: 0183 – 400 9025; **Email:** investor@kaytexfabrics.com; **Website:** https://kaytexfabrics.com/

THE PROMOTERS OF OUR COMPANY ARE SANJEEV KANDHARI, AMIT KANDHARI, SHELLY KANDHARI AND PRITI KANDHARI

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED FEBRUARY 17, 2025 (“THE ADDENDUM”): NOTICE TO THE INVESTORS

INITIAL PUBLIC OFFERING OF UP TO 38,78,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE OFFER”). THE OFFER COMPRISES A FRESH ISSUE OF UP TO 31,99,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 6,79,200 EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹ [●] LAKHS, COMPRISING UP TO 3,39,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY SANJEEV KANDHARI (“PROMOTER SELLING SHAREHOLDER”) AND UP TO 3,39,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY AMIT KANDHARI (“PROMOTER SELLING SHAREHOLDER”) (COLLECTIVELY, THE “SELLING SHAREHOLDERS” AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE “OFFER FOR SALE”). THE OFFER WILL CONSTITUTE [●] % OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY, OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential investor may note the following:

- Then content on the cover pages under “The Promoters of our company” has been updated with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- The table titled “Company Related Terms” in the Chapter titled “Definitions and Abbreviations” under Section I titled “General” beginning on page 1 of Draft Red Herring Prospectus is updated to include the definition of “Promoters” with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- The content of “Names of Promoters”, “Aggregate Pre-Offer Shareholding of our Promoters and the Members of our Promoter Group (Other than our Promoters) and the Selling Shareholders”, “Summary of Outstanding Litigation”, “Weighted Average Price at which specified securities were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus”, “Average Cost of Acquisition” and “Details of price at which specified securities were acquired in the three years preceding the date of this Draft Red Herring Prospectus”, under Section II titled “Summary of the Offer Document” beginning on page 30 of the Draft Red Herring Prospectus has been updated with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- Section III titled “Risk Factors” beginning on page 38 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE.
- The content of “Monitoring Agency” under Chapter titled “General Information” under the Section IV titled “Introduction” beginning on page 86 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE.
- The content of “Details of Shareholding of our Promoters and members of the Promoter Group in the Company” under Chapter titled “Capital Structure” under the Section IV titled “Introduction” beginning on page 95 of the Draft Red Herring Prospectus has been updated with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- The content of “Funding capital expenditure for construction of additional warehouse facility in Amritsar”, “Funding capital expenditure for construction of dedicated sales office in Amritsar”, “Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar” and “Funding our incremental working capital requirements” under the heading “Details of the Objects” and content of “Monitoring of utilization of funds” under the Chapter titled “Objects of the Offer” under the Section V titled “Particulars of the Offer” beginning on Page 109 of the Draft Red Herring Prospectus has been updated as suggested by the NSE.
- The content of “Comparison of accounting ratios with listed industry peers” and “Key Performance Indicators (“KPIs”))” under Chapter titled “Basis for Offer Price” under the Section V titled “Particulars of the Offer” beginning on Page 128 of the Draft Red Herring Prospectus has been updated as suggested by the NSE.
- The content of “Overview”, “Our Revenue Mix”, “Our Strengths”, “Raw Materials”, “Our Products”, “Marketing”, “Employees and Human Resources”, “Insurance” and “Properties” under Chapter titled “Our Business” under the Section VI titled “About the company” beginning on page 207 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE.
- The content of “Changes in the Key Managerial Personnel or the Senior Management in last three years” and “Interest of Directors” under Chapter titled “Management” under the Section VI titled “About the company” beginning on page 253 of the Draft Red Herring Prospectus has been updated as suggested by the NSE and with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- The content of “Details of our Promoters” and “Natural Persons who are part of the Promoter Group” under Chapter titled “Our Promoters and Promoter Group” under the Section VI titled “About the company” beginning on page 270 of the Draft Red Herring Prospectus has been updated with modification and addition of Promoters, Shelly Kandhari and Priti Kandhari.
- The content of “Overview” under Chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under the Section VII titled “Financial Information” beginning on page 278 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE
- The content under Chapter titled “Outstanding Litigation and Material Developments” under the Section VIII titled “Legal and other Information” beginning on page 312 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE.
- The content of “Material Documents” under Chapter titled “Material Contracts and Documents for Inspection” under the Section XIII titled “Other Information” beginning on page 396 of the Draft Red Herring Prospectus has been revised and updated as suggested by the NSE.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Amritsar Date: May 27, 2025		On behalf of Kaytex Fabrics Limited Sd/- Sanjeev Kandhari Chairman & Managing Director	
BOOK RUNNING LEAD MANAGER (“BRLM”)		REGISTRAR TO THE OFFER	
 SOCRADAMUS CAPITAL PRIVATE LIMITED Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India Telephone: 022 – 4961 4235 Email: info@socradamus.in Investors Grievance e-mail: investors@socradamus.in Website: https://socradamus.in/ Contact Person: Kritika Rupda SEBI Registration Number: INM000013138		 BIGSHARE SERVICES PRIVATE LIMITED Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India Telephone: 022 - 6263 8200 Email: ipo@bigshareonline.com Investor Grievance e-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C SEBI Registration Number: INR000001385	
BID / OFFER PROGRAMME			
ANCHOR BIDDING DATE	INVESTOR ● **	BID / OFFER OPENS ON ● 	BID / OFFER CLOSING ON ● ***

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.

*** 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.

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Company Related Terms

Term	Description
Promoters	The Individual Promoters of our Company being Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari

SECTION II - SUMMARY OF THE OFFER DOCUMENT

Names of Promoters

As on the date of this Draft Red Herring Prospectus, our promoters are Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari. For further details, see “Our Promoters and Promoter Group” on page 270.

Aggregate Pre-Offer Shareholding of our Promoters and the Members of our Promoter Group (Other than our Promoters) and the Selling Shareholders

Name of Shareholder	Pre-Offer	
	Number of Shares	Percentage % holding
Promoters		
Sanjeev Kandhari [#]	57,49,975	49.99%
Amit Kandhari [#]	57,49,975	49.99%
Shelly Kandhari	-	-
Priti Kandhari	-	-
Total (A)	1,14,99,950	99.98%
Promoter Group		
Sagar Kandhari	10	Negligible
Sahil Kandhari	10	Negligible
Chahat Kandhari	10	Negligible
Devika Arora	10	Negligible
Sweety Ahuja	10	Negligible
Total (B)	50	0.02%
Total (A + B)	1,15,00,000	100.00%

[#] Also, the Promoter Selling Shareholders.

Summary of Outstanding Litigation

A summary of pending litigation proceedings as on the date of this Draft Red Herring Prospectus involving our Company, Directors, Promoter and our Group Companies as disclosed in the chapter titled “Outstanding Litigation and Other Material Developments” in terms of the SEBI ICDR Regulations is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations [#]	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	1	-	-	-	-	2.86
Against the Company	-	13	-	-	-	25.99*
Promoters						
By Promoter	-	-	-	-	-	-
Against Promoter	-	3	-	-	-	0.114
Directors (other than Promoters)						
By our directors	-	-	-	-	-	-
Against the directors	-	-	-	-	-	-
Group Companies						
By the Group Company	-	-	-	-	-	-
Against the Group Company	-	5	-	-	-	0.054

[#] Determined in accordance with the Materiality Policy.

*Amount quantifiable to the extent.

Weighted Average Price at which specified securities were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus set forth in the table below:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	No. of Equity Shares acquired in last one year	Weighted Average cost of Acquisition per Equity Share in the last one year (in ₹) *
1.	Sanjeev Kandhari [#]	57,49,975	55,00,000	-
2.	Amit Kandhari [#]	57,49,975	55,00,000	-
3.	Shelly Kandhari	-	-	-
4.	Priti Kandhari	-	-	-

Note: For arriving at the weighted average price at which the equity shares of the Company were acquired by the Promoters and the Selling Shareholders, only acquisition of equity shares which are allotted to them has been considered while arriving at weighted average price per Equity Share for last one year.

*As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated May 16, 2025.

Also, the Promoter Selling Shareholder.

Average Cost of Acquisition

The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Sanjeev Kandhari [#]	57,49,975	0.38
2.	Amit Kandhari [#]	57,49,975	0.38
3.	Shelly Kandhari	-	-
4.	Priti Kandhari	-	-

Note: Average cost of acquisition of Equity Shares of the Company held by the Promoters and the Selling Shareholders in respect of their respective shareholding in the Company is calculated as per FIFO Method.

*As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated May 16, 2025.

Also, the Promoter Selling Shareholders.

Details of price at which specified securities were acquired in the three years preceding the date of this Draft Red Herring Prospectus

Name of the acquirer / shareholder	Date of acquisition of Equity Shares	Number of Equity Shares*	Acquisition price per Equity Share (in ₹)	Nature of Transaction
Promoters				
Sanjeev Kandhari [#]	September 04, 2024	55,00,000	-	Bonus Issue
Amit Kandhari [#]	September 04, 2024	55,00,000	-	Bonus Issue
Shelly Kandhari	-	-	-	-
Priti Kandhari	-	-	-	-
Promoter Group				
Sagar Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Sahil Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Chahat Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Devika Arora	November 18, 2024	10	-	Acquired pursuant to Gift
Sweetie Ahuja	November 18, 2024	10	-	Acquired pursuant to Gift

Also, the Promoter Selling Shareholders.

SECTION III – RISK FACTORS

Risk Factor (Old reference)	Risk Factor (New Reference)	Changes																																																																																																			
10	1	Risk Factor has been shifted and updated <i>During seven months ended October 31, 2024, Fiscals 2024, 2023 and 2022, we derived 89.51%, 94.81%, 91.05% and 77.83% our revenue from operations from domestic sales from our customers in Northern India, which exposes us to risks specific to these Indian geographies and market.</i> We derived a significant portion of our revenue from our customers in Northern India during seven months ended October 31, 2024, Fiscals 2024, 2023 and 2022 as set out below: (₹ in Lakhs) <table><tr><th>State</th><th colspan="2">October 31, 2024</th><th colspan="2">Fiscal 2024</th><th colspan="2">Fiscal 2023</th><th colspan="2">Fiscal 2022</th></tr><tr><th></th><th>Revenue from operations</th><th>% of Revenue from operations</th><th>Revenue from operations</th><th>% of Revenue from operations</th><th>Revenue from operations</th><th>% of Revenue from operations</th><th>Revenue from operations</th><th>% of Revenue from operations</th></tr><tr><td>Punjab</td><td>6,101.21</td><td>66.99%</td><td>9,924.26</td><td>79.43%</td><td>7,364.86</td><td>74.25%</td><td>5,288.98</td><td>64.30%</td></tr><tr><td>Haryana</td><td>1,238.12</td><td>13.59%</td><td>913.95</td><td>7.31%</td><td>381.88</td><td>3.85%</td><td>137.97</td><td>1.68%</td></tr><tr><td>Delhi</td><td>503.77</td><td>5.53%</td><td>657.78</td><td>5.26%</td><td>938.67</td><td>9.46%</td><td>684.87</td><td>8.33%</td></tr><tr><td>Uttar Pradesh</td><td>173.58</td><td>1.91%</td><td>185.30</td><td>1.48%</td><td>136.78</td><td>1.38%</td><td>145.65</td><td>1.77%</td></tr><tr><td>Himachal Pradesh</td><td>85.89</td><td>0.94%</td><td>142.28</td><td>1.14%</td><td>145.96</td><td>1.47%</td><td>-</td><td>-</td></tr><tr><td>Uttarakhand</td><td>27.92</td><td>0.31%</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Jammu and Kashmir</td><td>21.39</td><td>0.23%</td><td>21.70</td><td>0.17%</td><td>63.18</td><td>0.64%</td><td>144.84</td><td>1.76%</td></tr><tr><td>Chandigarh</td><td>0.38</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>8,152.27</td><td>89.51%</td><td>11,845.26</td><td>94.81%</td><td>9,031.33</td><td>91.05%</td><td>6,402.30</td><td>77.83%</td></tr></table> <i>As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated January 31, 2025.</i> Due to a significant concentration of our revenues in this region, we are highly impacted by risks specific to these geographies, such as civil unrest as well as other adverse social, economic and political events in these states, natural disasters, regional conflicts, and other unforeseen events and circumstances. If any of these risks materialise or if there is a significant downturn in these states, our results of operations and future profitability could be adversely impacted. Further, there have been no instances during the last 3 financial years and period ending October 31, 2024 where the Company has been impacted due to its revenue from domestic sales to customers in Northern India or exposure to risks specific to these geographies and market conditions.	State	October 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022			Revenue from operations	% of Revenue from operations	Revenue from operations	% of Revenue from operations	Revenue from operations	% of Revenue from operations	Revenue from operations	% of Revenue from operations	Punjab	6,101.21	66.99%	9,924.26	79.43%	7,364.86	74.25%	5,288.98	64.30%	Haryana	1,238.12	13.59%	913.95	7.31%	381.88	3.85%	137.97	1.68%	Delhi	503.77	5.53%	657.78	5.26%	938.67	9.46%	684.87	8.33%	Uttar Pradesh	173.58	1.91%	185.30	1.48%	136.78	1.38%	145.65	1.77%	Himachal Pradesh	85.89	0.94%	142.28	1.14%	145.96	1.47%	-	-	Uttarakhand	27.92	0.31%	-	-	-	-	-	-	Jammu and Kashmir	21.39	0.23%	21.70	0.17%	63.18	0.64%	144.84	1.76%	Chandigarh	0.38	-	-	-	-	-	-	-	Total	8,152.27	89.51%	11,845.26	94.81%	9,031.33	91.05%	6,402.30	77.83%
State	October 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022																																																																																														
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16	2	Risk Factor has been shifted <i>Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.</i> Our business requires a significant amount of working capital for our day-to-day operations before payment is received from our customers. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. As on October 31, 2024, our Company had sanctioned working capital facilities aggregating to ₹3,155.00 lakhs from HDFC Bank Limited and outstanding working capital facilities aggregating to ₹2,662.59 lakhs. Details of our working capital during Fiscals 2024, 2023 and 2022 are set out below: (₹ in Lakhs) <table><tr><th>Sr. No.</th><th>Particulars</th><th>As at October 31, 2024</th><th>As at March 31, 2024</th><th>As at March 31, 2023</th><th>As at March 31, 2022</th></tr><tr><td>A.</td><td>Current Assets</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Inventories</td><td>3,740.48</td><td>3,120.88</td><td>1,551.91</td><td>1,721.32</td></tr><tr><td></td><td>Trade receivables</td><td>4,178.65</td><td>2,836.78</td><td>2,569.16</td><td>2,222.48</td></tr><tr><td></td><td>Short Term Loans and Advances</td><td>318.09</td><td>110.18</td><td>206.75</td><td>209.77</td></tr><tr><td></td><td>Other Current Assets</td><td>1,094.37</td><td>1,185.15</td><td>864.38</td><td>546.41</td></tr><tr><td></td><td>Total Current Assets (A)</td><td>9,331.59</td><td>7,252.99</td><td>5,192.20</td><td>4,699.98</td></tr></table>	Sr. No.	Particulars	As at October 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	A.	Current Assets						Inventories	3,740.48	3,120.88	1,551.91	1,721.32		Trade receivables	4,178.65	2,836.78	2,569.16	2,222.48		Short Term Loans and Advances	318.09	110.18	206.75	209.77		Other Current Assets	1,094.37	1,185.15	864.38	546.41		Total Current Assets (A)	9,331.59	7,252.99	5,192.20	4,699.98																																																									
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		B. Current Liabilities			
		Trade payables	2,066.12	1,542.13	1,555.76
		Other Current Liabilities	439.84	340.79	276.07
		Short Term Provisions	423.94	450.61	372.36
		Total Current Liabilities (B)	2,929.90	2,333.53	2,204.19
		C. Total Working Capital requirements (C=A-B)	6,401.69	4,919.46	2,988.01
		D. Funding Pattern			
		Borrowings from banks, financial institution and non-banking financial companies	2,662.59	1,413.58	799.36
		Unsecured loans from Related Parties	483.97	878.10	919.88
		Internal Accruals and Equity	3,255.13	2,627.78	1,268.77
		Total	6,401.69	4,919.46	2,988.01
		As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated January 31, 2025.			
		There have been instances of claims filed for compensation for loss incurred pursuant to defaults by the customers. For details see, “<i>Outstanding Litigation and Material Developments</i>” on page 312. Error! Bookmark not defined.. Further, claim for compensation, settlement of disputes, etc. may take time and involve us expending financial and other resources, and the outcome may be uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our customers to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. However, there have been no instances of losses resulting from environmental liabilities in the last 3 financial years and the current financial year. We may also have a higher inventory level at our facilities due to various factors such as, delay in deliveries to the customers, natural disasters, pandemic, government-imposed restrictions, etc. All of these factors may result, in increase in the amount of receivables, inventory and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. While there have been no instances of inaccurate budgeting of working capital requirements in during seven months ended October 31, 2024, Fiscals 2024, 2023, and 2022, there may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows. Additionally, our Company intends to utilise ₹3,000.00 lakhs from the Net Proceeds to fund working capital requirements of our Company in Fiscal 2026. We intend to scale up production capacity for our digitally printed fabrics and ready-to-stitch garments. As we continue to expand our product offerings and penetrate new markets, both domestic and international, the demand for raw materials such as yarns, greige fabrics, dyes, and chemicals is expected to increase, necessitating larger upfront procurement costs. Additionally, as we focus on offering value-added products and strengthening our distribution network in Tier 3, and Tier 4 cities, our inventory holding period is likely to grow, resulting in a higher requirement for working capital. Furthermore, the expansion into new geographic regions and the increased scale of production for both branded and non-branded products will lead to a larger receivables cycle, as we extend credit terms to our customers. This will further necessitate incremental working capital funding to ensure that we can efficiently manage cash flows, support day-to-day operations, and avoid any disruptions in production or customer fulfilment. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “<i>Objects of the Offer</i>” on page 109.			
1	3	No Change			
2	4	No Change			
3	5	No Change			
4	6	No Change			
5	7	Risk Factor has been updated			
		<i>Our business is seasonal in nature, which could adversely affect our financial performance.</i>			

		Our business is seasonal in nature, with higher sales volumes during specific periods, such as festive seasons, weddings, and other cultural events. As a result, our revenue and cash flows are often concentrated in certain months of the year, which could lead to fluctuations in our financial performance across different quarters. The demand for traditional Indian wear fabrics and garments, including digitally printed fabrics, jacquard suits, shawls, stoles, and sarees, tends to increase significantly during festive seasons and wedding seasons in India and other markets with a large Indian diaspora. However, during non-festive or off-peak periods, we may experience a slowdown in orders, leading to under-utilization of our manufacturing capacities, lower sales volumes, and reduced profitability in those periods. For instance, in Fiscal 2024, our quarterly revenue contribution was as follows: Q1 (April-June): 18.40% of total revenue from operations; Q2 (July-September): 29.03% of total annual revenue from operations; Q3 (October-December, festive and wedding season): 30.44% of total revenue from operations; Q4 (January-March): 22.13% of total revenue from operations. Additionally, unpredictable factors such as weather conditions, changes in consumer behaviour, or shifts in fashion trends could impact seasonal demand patterns. For instance, an unusually long monsoon season or economic slowdowns during peak sales periods could adversely affect consumer spending on apparel and textiles, leading to lower-than-expected sales during the periods when we typically achieve higher revenues. The seasonal nature of our business also requires us to manage our working capital efficiently, particularly in anticipation of peak demand periods. We may need to increase inventory levels of raw materials and finished goods ahead of festive seasons, which ties up cash flows and exposes us to the risk of overstocking if demand does not materialize as expected. Any mismatch between anticipated demand and actual sales volumes could result in excess inventory, increased storage costs, and potential markdowns to clear unsold stock, which could adversely impact our margins and profitability. Furthermore, our export markets may experience different seasonal patterns compared to our domestic market, adding further complexity to managing production schedules and inventory levels. This can result in production inefficiencies if we are unable to align our production timelines with varying demand cycles across different regions and markets. In summary, the seasonal nature of our business poses risks of revenue fluctuations, inventory imbalances, and under-utilization of manufacturing capacities during off-peak periods. If we are unable to effectively manage these seasonal fluctuations, it could adversely impact our financial performance, cash flows, and overall profitability.
6-7	8-9	No Change
8	10	Risk Factor has been updated <i>If any new products that we launch are not as successful as we anticipate, our business, cash flows, results of operations and financial condition may be adversely affected.</i> Our business strategy involves the continuous introduction of new products, including digitally printed fabrics, jacquard fabrics, corduroy fabrics, dobby fabrics, and ready-to-stitch garments, to align with evolving fashion trends and changing consumer preferences. The success of our new product launches is critical to maintaining our competitive position, expanding our customer base, and driving revenue growth. However, there is a risk that new products we launch may not be as successful as we anticipate, resulting in lower-than-expected demand, unsold inventory, and increased operational costs. The success of any new product depends on several factors, including accurate assessment of market demand, consumer preferences, competitive pricing, quality, timing of the launch, and effective marketing efforts. If we fail to properly anticipate market trends or customer preferences, or if competitors introduce similar products more effectively, our new products may fail to gain traction in the market. This could lead to disappointing sales performance, inventory build-up, and additional costs for promotions or discounts to clear unsold stock, which would adversely affect our cash flows and profitability. Additionally, launching new product categories requires investment in research and development, marketing, and production capabilities, which may not always yield immediate or guaranteed returns. If customer reception to our new products is poor or if market demand shifts unexpectedly, the resources and capital we allocate to developing these products may not generate the anticipated returns, negatively impacting our financial condition and results of operations. Further, new product launches often require extensive promotion and marketing efforts to create brand awareness and customer interest. If our marketing strategies fail to reach the target audience or do not generate sufficient demand, the success of our new products could be compromised. Moreover, the textile and apparel market is highly competitive and fast-paced, making it critical to launch new products at the right time to capture market share. Delays in product development or launch could result in lost opportunities and reduced competitiveness, further impacting our business performance. In summary, failure of new product launches to meet market expectations or achieve the desired sales performance could result in lower revenues, increased costs, and reduced profitability, which would adversely affect our business, cash flows, results of operations, and financial condition. Further, there have been no instances during the last 3 financial years and period ending October 31, 2024 where the newly launched products have failed to meet anticipated outcome, and accordingly, no adverse impact on our business, cash flows, results of operations, or financial condition has been observed.

9	11	No Change
11-12	12-13	No Change
13	14	Risk Factor has been updated <i>Any failure in our quality control processes may damage our reputation, and adversely affect our business, cash flows, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products and services does not meet our customers' expectations.</i> It is possible that our products and services may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or handling of our products or other raw materials. We set internal quality standards, including consistent definitions of defects to be detected. However, given the high volume of raw materials and scale of production of finished goods, we are not able to inspect every single item, and may rely instead on selective methods such as sampling. Although there have been no material instances in the past, we cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers, or otherwise. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted. Any deficiencies in the quality of our products may cause adverse reactions to users of such products. This may expose us to product liability claims and legal proceedings brought against us by customers. Although there have been no such actions against us in the past, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. Product liability claims, successful or otherwise, may adversely affect our reputation, brand image and sales. Our inability to avoid or defend product liability claims may adversely affect our business, cash flows, results of operations and financial condition. Further, there have been no instances during the last 3 financial years and period ending October 31, 2024 impacting our reputation, business, cash flows, results of operations, or financial condition due to failure in our quality control processes. Additionally, we have not encountered any reputational harm or legal proceedings due to the quality of our products and services unable to meet customer expectations.
14-15	15-16	No change
17	17	No change
18	18	Risk Factor has been updated <i>We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial conditions. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.</i> As of October 31, 2024, our total sanctioned and outstanding indebtedness was ₹5,252.00 lakhs and ₹3,660.24 lakhs, respectively. The Debt-Equity ratio for the period ended October 31, 2024 and for the financial year ended March 31, 2024, 2023 and 2022 is 0.96 times, 1.06 times, 1.28 times and 1.39 times respectively. Our Company has availed these loans for several purposes including expansion and purchase of capital assets, purchase of vehicles and to meet working capital requirements. For details on the purpose of the loans availed by our Company, see “<i>Financial Indebtedness</i>” on page 308. The level of our indebtedness could have several important consequences, including but not limited to the following: (i) a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements; (ii) defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; (iii) substantial portion of our long-term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and (iv) our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited. Additionally, our financing agreements contain certain conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incurring additional debt, declaring dividends, amending our constitutional documents and changing the ownership or control and management of our business. While our Company has received necessary approval from its lenders to undertake this Offer, we cannot assure you that we will be able to obtain approvals to undertake any other aforementioned activities as and when required or comply with such covenants or other covenants in the future.

		In addition, our Promoters have also extended personal guarantees for some of the debt facilities availed by our Company. Any inability to continue to provide such guarantee or their inability to honour such guarantee could result in an acceleration of such facilities and, or, adversely impact our ability to raise debt which could impact our cash flows, result in cash flow mismatch and adversely affect our financial condition. For further details regarding our indebtedness, see “ <i>Restated Financial Information</i> ” and “ <i>Financial Indebtedness</i> ” beginning on pages 274 and 308, respectively.																																																																					
19-21	19-21	No change																																																																					
22	22	Risk Factor has been updated <i>There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.</i> We are involved in certain legal proceedings which are pending at different levels of adjudication before various tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the proceedings involving our Company, Promoters and Directors are provided below: <table border="1"> <thead> <tr> <th>Nature of Cases</th><th>Number of Cases</th><th>Amount Involved (in ₹)</th></tr> </thead> <tbody> <tr> <td colspan="3"><i>Issuer Company – Kaytex Fabrics Limited</i></td></tr> <tr> <td colspan="3">Direct Tax</td></tr> <tr> <td>E-Proceedings</td><td>6</td><td>21,16,842/-*</td></tr> <tr> <td>Outstanding Demand</td><td>1</td><td>1,09,756/-</td></tr> <tr> <td>TDS Default</td><td>6</td><td>3,72,719.01/-</td></tr> <tr> <td>Criminal Proceedings</td><td>1</td><td>2,88,574/-</td></tr> <tr> <td colspan="3"><i>Promoters</i></td></tr> <tr> <td colspan="3">Direct Tax</td></tr> <tr> <td>E-Proceedings</td><td>1</td><td>12,424/-</td></tr> <tr> <td>Outstanding Demand</td><td>2</td><td>2,784/-</td></tr> <tr> <td>TDS Default</td><td>Nil</td><td>Nil</td></tr> <tr> <td colspan="3"><i>Directors (Other than Promoters)</i></td></tr> <tr> <td colspan="3">Direct Tax</td></tr> <tr> <td>E-Proceedings</td><td>Nil</td><td>Nil</td></tr> <tr> <td>Outstanding Demand</td><td>Nil</td><td>Nil</td></tr> <tr> <td>TDS Default</td><td>Nil</td><td>Nil</td></tr> <tr> <td colspan="3"><i>Group Companies</i></td></tr> <tr> <td colspan="3">Direct Tax</td></tr> <tr> <td>E-Proceedings</td><td>4</td><td>Nil*</td></tr> <tr> <td>Outstanding Demand</td><td>Nil</td><td>Nil</td></tr> <tr> <td>TDS Default</td><td>1</td><td>5,436.50/-</td></tr> <tr> <td>Other Matters based on Materiality Policy</td><td>Nil</td><td>Nil</td></tr> </tbody> </table> For further details of legal proceedings involving our Company, our Promoters, our directors, see “<i>Outstanding Litigation and Material Developments</i>” on page 312.	Nature of Cases	Number of Cases	Amount Involved (in ₹)	<i>Issuer Company – Kaytex Fabrics Limited</i>			Direct Tax			E-Proceedings	6	21,16,842/-*	Outstanding Demand	1	1,09,756/-	TDS Default	6	3,72,719.01/-	Criminal Proceedings	1	2,88,574/-	<i>Promoters</i>			Direct Tax			E-Proceedings	1	12,424/-	Outstanding Demand	2	2,784/-	TDS Default	Nil	Nil	<i>Directors (Other than Promoters)</i>			Direct Tax			E-Proceedings	Nil	Nil	Outstanding Demand	Nil	Nil	TDS Default	Nil	Nil	<i>Group Companies</i>			Direct Tax			E-Proceedings	4	Nil*	Outstanding Demand	Nil	Nil	TDS Default	1	5,436.50/-	Other Matters based on Materiality Policy	Nil	Nil
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23-30	23-30	No change																																																																					
31	31	Risk Factor has been updated <i>The Objects of the Offer for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.</i> The proceeds received from the Offer for Sale will not form part of the proceeds from the Fresh Issue. We propose to use the Net Proceeds towards funding capital expenditure for construction of additional warehouse facility in Amritsar; funding capital expenditure for construction of dedicated sales office in Amritsar; funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar; funding our incremental working capital requirements; and general corporate purposes. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. <i>We shall appoint a monitoring agency to monitor the Net Proceeds.</i> Further, pursuant to Section 27 of the Companies Act, any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, would require a special resolution of the Shareholders and the																																																																					

		Promoter or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects of the Offer, at such price and in such manner in accordance with applicable law. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. The Offer expenses are estimated to be approximately ₹ [●] lakhs. For details, see “<i>Objects of the Offer</i>” on page 109. Various risks and uncertainties, including those set forth in this “Risk Factors” section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, including delaying the schedule of implementation of objects for which the Net Proceeds are intended for. Our actual deployment of funds may be higher than our management estimates, for which we may require additional funding that we may not be able to arrange on commercially acceptable terms, or at all. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.																																			
32-34	32-34	No change																																			
35	35	Risk Factor has been updated <i>We have a large work force, and our employee benefit expense and contract labour charges are one of the larger components of our fixed operating costs. An increase in employee benefit expenses and, or, contract labour charges could reduce our profitability. Further, our operations could be adversely affected by work stoppages or increased wage demands by our employees or any other kind of dispute with our employees.</i> We believe our employees and personnel are one of our most important assets and critical to maintaining our competitive position in our industry. Our success depends on our ability to effectively source and staff people with the right mix of skills and experience. If we are unable to effectively utilise our personnel on a timely basis to fulfil the needs of our customers, our business could suffer. Our business model is human resource intensive, and our pool of employees consists of employees and workers as part of inter alia production, designing, procurement, packaging, plant maintenance, quality control, dispatch and supply chain department. Set out below are the details of our permanent employees and our employee benefit expense and labour charges for the period indicated below: <table><tr><th>Particulars</th><th>As at October 31, 2024</th><th>As at March 31, 2024</th><th>As at March 31, 2023</th><th>As at March 31, 2022</th></tr><tr><td>Permanent employees and workers</td><td>591</td><td>518</td><td>473</td><td>349</td></tr><tr><td>Employee benefit expense and labour charges (in ₹ lakhs)</td><td>1,269.83</td><td>1,902.98</td><td>1,414.70</td><td>1,024.05</td></tr></table> Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below: <table><tr><th>Particulars</th><th>For period ended October 31, 2024</th><th>Fiscal 2024</th><th>Fiscal 2023</th><th>Fiscal 2022</th></tr><tr><td>Attrition Rates ⁽¹⁾</td><td>4.57%</td><td>6.76%</td><td>4.86%</td><td>3.15%</td></tr><tr><td>No. of employees who resigned during the period</td><td>27</td><td>35</td><td>23</td><td>11</td></tr><tr><td>Total as of the end of the period ⁽²⁾⁽³⁾</td><td>591</td><td>518</td><td>473</td><td>349</td></tr></table> Note: (1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100. (2) Includes full-time employees of the company. (3) Sanjeev Kandhari, Managing Director of the company and Amit Kandhari, Wholetime Director and Chief Financial Officer of the Company, are appointed as on August 24, 2024 and Rubina Mahajan was appointed as Company Secretary and Compliance officer as on November 09, 2024. As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025. Further, the attrition rate of our employees is in the ordinary course of business which has not had any financial impact on the Company. We cannot guarantee that we will be able to recruit and retain qualified and capable employees. In addition, our recruiting personnel, methodology, and approach may need to be altered to address a changing candidate pool and profile. We may incur significant costs to attract and recruit skilled personnel, and we may lose new personnel to our competitors before we realise the benefit of our investment in recruiting and training them. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be harmed.	Particulars	As at October 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	Permanent employees and workers	591	518	473	349	Employee benefit expense and labour charges (in ₹ lakhs)	1,269.83	1,902.98	1,414.70	1,024.05	Particulars	For period ended October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022	Attrition Rates ⁽¹⁾	4.57%	6.76%	4.86%	3.15%	No. of employees who resigned during the period	27	35	23	11	Total as of the end of the period ⁽²⁾⁽³⁾	591	518	473	349
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36-38	36-38	No change																																			
39	39	Risk Factor has been updated <i>Our business, results of operations and financial condition may be adversely affected if operations at the facilities of our raw material suppliers are disrupted. Our business, results of operations and financial condition may also be affected if the operations of our customers are disrupted.</i>																																			

		The facilities of our raw material suppliers are subject to various operating risks, including some of which are beyond their control, such as the breakdown and failure of equipment, industrial accidents, employee unrest, severe weather conditions and natural disasters. Further, since a significant majority of the facilities of our raw materials suppliers are located in particular regions in India, any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting these regions may adversely affect operations at our raw materials suppliers’ facilities. Further, if our suppliers fail to comply with applicable laws, including environmental laws, they risk having their facilities shut down, which may adversely affect our operations. However, the occurrence of any such event in the future may adversely affect our business, results of operations and financial condition. We cannot assure you that we will always be able to arrange alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers, although we endeavour to do so. Any inability on our part to arrange for alternate sources for raw materials, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition. Further, there have been no instances during the last 3 financial years and period ending October 31, 2024 where the Company has been impacted by labour legislation, unionization, or disputes related to employee rights and benefits. Additionally, there have been no occurrences of work stoppages, disruptions, or increased operating costs due to higher-than-anticipated wages or benefits. Further, our top 15 and top 20 customers contribute a significant portion of our revenue from operations. For details see “- We do not have long-term agreements with a majority of our customers. Any changes or cancellations to our orders or our inability to forecast demand for our products may adversely affect our business, results of operations and financial condition.” on page 45. Any disruption in the operations of our customers or any downturn in the industries in which our customers operate may impact the demand of our products by our customers which may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to arrange alternate customers to supply our products. Any inability on our part to arrange for alternate customers, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition.																				
40-44	40-44	No change																				
45	45	Risk Factor has been updated <i>We are highly dependent on our Key Managerial Personnel for our business. The loss of or our inability to attract or retain such persons could have a material adverse effect on our business performance.</i> Our business and the implementation of our strategy is dependent upon our Key Managerial Personnel, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in their present positions, such persons could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial Personnel or our inability to replace such Key Managerial Personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows. During the Financial Year ended 2024, 2023 and 2022, we have experienced certain changes to our Key Managerial Personnel. For further details, see “Our Management - Changes in the Key Managerial Personnel or the Senior Management in last three years” on page 268. Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below: <table><tr><th>Particulars</th><th>For period ended October 31, 2024</th><th>Fiscal 2024</th><th>Fiscal 2023</th><th>Fiscal 2022</th></tr><tr><td>Attrition Rates ⁽¹⁾</td><td>4.57%</td><td>6.76%</td><td>4.86%</td><td>3.15%</td></tr><tr><td>No. of employees who resigned during the period</td><td>27</td><td>35</td><td>23</td><td>11</td></tr><tr><td>Total as of the end of the period ⁽²⁾⁽³⁾</td><td>591</td><td>518</td><td>473</td><td>349</td></tr></table> Note: (1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100. (2) Includes full-time employees of the company. (3) Sanjeev Kandhari, Managing Director of the company and Amit Kandhari, Wholetime Director and Chief Financial Officer of the Company, are appointed as on August 24, 2024 and Rubina Mahajan was appointed as Company Secretary and Compliance officer as on November 09, 2024. As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025. We cannot assure you that we will not lose our Key Managerial Personnel or member of Senior Management in the future, or we will be able to replace any Key Managerial Personnel or member of Senior Management in a timely manner or at all, which could have a material adverse impact on our business, results of operations, financial position and cash flows	Particulars	For period ended October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022	Attrition Rates ⁽¹⁾	4.57%	6.76%	4.86%	3.15%	No. of employees who resigned during the period	27	35	23	11	Total as of the end of the period ⁽²⁾⁽³⁾	591	518	473	349
Particulars	For period ended October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022																		
Attrition Rates ⁽¹⁾	4.57%	6.76%	4.86%	3.15%																		
No. of employees who resigned during the period	27	35	23	11																		
Total as of the end of the period ⁽²⁾⁽³⁾	591	518	473	349																		
46-50	46-50	No change																				
51	51	Risk Factor has been updated																				

		<i>Our success depends largely upon the knowledge and experience of our Promoters, Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari.</i> Our Company has a strong management team with extensive industry experience. Our Promoters, Sanjeev Kandhari and Amit Kandhari have a combined experience of more than fifty years in the textile manufacturing industry. They have built and led a dedicated team, fostering a culture of excellence, innovation, and customer-centricity. Shelly Kandhari, having around 15 years of experience in the textile manufacturing industry, has been involved in functions of the company such as designing, procurement, and administration. Priti Kandhari, having around 15 years of experience in textile manufacturing industry, has been associated with the company since 2009 and has overseen functions including accounts, finance, procurement, and human resources. Operational excellence has been our priority with a focus on maximizing efficiency, profitability, and customer satisfaction. Our Company also depends on the management skills and guidance of our Promoters for marketing and growth of our business. Our Promoters, along with our management team, who form an integral part of our Company, have over the years-built relations with customers and vendors. Our future performance will depend largely on our ability to retail the continued service of our management team
52	52	No change
53	53	Risk Factor has been updated <i>Our Directors and Promoters may enter into ventures which are in businesses similar to ours.</i> The interests of our directors or Promoters may not align with the interests of our other Shareholders due to their involvement in other ventures which are in businesses similar to ours or that may compete with our business or may benefit from preferential treatments when doing business with our Company. Our Directors, or Promoters, as applicable, may, for business considerations or otherwise, in transactions with other ventures where they have interest, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may materially adversely impact our business, financial condition, results of operations and cash flows. As a result, conflicts of interest may arise when we sell our solutions to such Promoter Group at lower prices, or give it any other form of preferential treatment. There can be no assurance that our Promoters or any company controlled by our Promoters will not enter into businesses similar to ours or compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition. Further, there have been no instances during the last 3 financial years and period ending October 31, 2024 where conflicts of interest arising from the involvement of our Directors or Promoters in other ventures have impacted the Company's business, financial condition, results of operations, or cash flows. Additionally, the Company has not faced any adverse effects due to preferential treatment in transactions with the Promoter Group or competition from businesses controlled by our Promoters.
54	54	Risk Factor has been updated <i>We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Directors and Key Managerial Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.</i> We have in the past entered into certain related party transactions with our Key Managerial Personnel, Directors, relatives of Directors. Further, our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. For further details in relation to our related party transactions for the period ended October 31, 2024 and for the Fiscals 2024, 2023 and 2022, see "Summary of the Offer Document – Summary of Related Party Transactions" and "Other Financial Information – Related Party Transactions" on pages 32 and 277, respectively. For further details in relation to interest of our directors, and Key Managerial Personnel and Senior Management, see "Our Management - Interest of Directors" and "Our Management - Interest of Key Managerial Personnel and Senior Management" on pages 258 and 269 respectively. While we believe that all such related party transactions for the period ended October 31, 2024 and for the Fiscals 2024, 2023 and 2022 have been conducted on an arm's length basis in accordance with the Companies Act, 2013 and applicable law and were not prejudicial to our interests, we may enter into related-party transactions in the future which will be subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such future related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations.
55-69	55-69	No change

70	70	Risk Factor has been updated <i>The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders could be lower than the Offer price determined in consultation with Book Running Lead Manager in accordance with the SEBI ICDR Regulations.</i> The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholders may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Draft Red Herring Prospectus is set out below: <table><tr><th>S. No.</th><th>Name of the Promoter</th><th>Type of Shareholders</th><th>Selling</th><th>Equity shareholding as on the date of this Draft Red Herring Prospectus</th><th>Average cost of Acquisition per Equity Share (in ₹) *</th></tr><tr><td>1.</td><td>Sanjeev Kandhari</td><td>Promoter Shareholder</td><td>Selling</td><td>57,49,975</td><td>0.38</td></tr><tr><td>2.</td><td>Amit Kandhari</td><td>Promoter Shareholder</td><td>Selling</td><td>57,49,975</td><td>0.38</td></tr><tr><td>3.</td><td>Shelly Kandhari</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>4.</td><td>Priti Kandhari</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> <i>*As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated May 16, 2025.</i> For details regarding weighted average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders in our Company, please refer chapter title “<i>Summary of the Offer Document</i>” on page 30.	S. No.	Name of the Promoter	Type of Shareholders	Selling	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *	1.	Sanjeev Kandhari	Promoter Shareholder	Selling	57,49,975	0.38	2.	Amit Kandhari	Promoter Shareholder	Selling	57,49,975	0.38	3.	Shelly Kandhari	-	-	-	-	4.	Priti Kandhari	-	-	-	-
S. No.	Name of the Promoter	Type of Shareholders	Selling	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *																											
1.	Sanjeev Kandhari	Promoter Shareholder	Selling	57,49,975	0.38																											
2.	Amit Kandhari	Promoter Shareholder	Selling	57,49,975	0.38																											
3.	Shelly Kandhari	-	-	-	-																											
4.	Priti Kandhari	-	-	-	-																											
71-77	71-77	No change																														

SECTION IV - INTRODUCTION

GENERAL INFORMATION

Monitoring Agency

Our Company has appointed “XXX” (Note: Name of the monitoring agency will be updated in the RHP) as the Monitoring Agency to monitor utilization of the Net Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

CAPITAL STRUCTURE

6. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

(iii) Build-up of the Promoters shareholding in our Company

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre- Offer Equity Share Capital	% of Post Offer Equity Share Capital
Shelly Kandhari (C)							
-	-	-	-	-	-	-	-
Priti Kandhari (D)							
-	-	-	-	-	-	-	-

SECTION V - PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

Details of the Objects

1. Funding capital expenditure for construction of additional warehouse facility in Amritsar

Our Company proposes to utilize ₹255.55 Lakhs from the Net Proceeds in Fiscal 2026 for capital expenditure towards construction of additional warehouse facility for approx. 19,000 square feet at Khasra No. 10//25/2 (0-18), 16//1/2 (3-16), 16/20 (8-0), 16/21/1 (1-2), 16//10/2 (5-0), 16//11/1 (5-2), 17//5 (8-0), 16//10/1 (3-0), 16//11/2 (2-18), 16//1/1 (3-8) 16//21/2 (1-3), 16//21/3 (5-6), at Village Balkalan, Majitha, Amritsar, Punjab, India and said land is purchased from Manjit Singh and Madhav Group of Companies vide sale deed dated April 15, 2024 registered under Sub Registrar/Joint Sub Registrar, SRO-Amritsar-2 to further enhance our company's storage and logistics capabilities.

Further, please find schedule of implementation for the same:

Particulars	Estimated date of	
	Commencement	Completion
Site Preparation & Levelling	September 2025	September 2025
Excavation	September 2025	September 2025
Foundation (footings, piles)	September 2025	October 2025
Flooring (PCC, RCC, etc.)	October 2025	November 2025
Structural Steel Framework	November 2025	December 2025
Roofing (sheets, insulation)	December 2025	December 2025
Walls (brick/blocks, plaster)	December 2025	January 2026
Doors, Windows, Shutters	January 2026	February 2026
Electrical Fittings	February 2026	February 2026
Plumbing & Drainage	February 2026	February 2026
Miscellaneous (paint, finish)	February 2026	February 2026
Total days		180

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

2. Funding capital expenditure for construction of dedicated sales office in Amritsar

Our Company proposes to utilize ₹373.20 Lakhs from the Net Proceeds in Fiscal 2026 for capital expenditure towards the said construction of dedicated sales office in Amritsar for approx. 20,400 square feet. The area is combination of two piece of land situated at Khasra No. 960, 961, Khata Khatoni 151/249 at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India purchased from Gulshan Kumar and Khasra No. 926, Khata Khatoni 66/74 Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India purchased from Ravinder Kumar, Lavkesh Kaushal and Poonam Kalia vide sale deed dated April 23, 2024 and May 24, 2024 respectively registered under Sub Registrar/Joint Sub Registrar, SRO-Amritsar-2.

Particulars	Components	Start Date	Completion Date
Basement	Excavation & Site Preparation	June 2025	July 2025
	RCC (Foundation, Slabs)	July 2025	September 2025
	Waterproofing	September 2025	September 2025
	Staircases & Ramps	September 2025	October 2025
Ground Floor	Foundation, Columns, Beams	October 2025	November 2025
	Walls & Plastering	November 2025	December 2025
	Flooring (Marble)	December 2025	January 2026
	False Ceiling	December 2025	January 2026
	Paint & Wall Finishes	December 2025	January 2026
	Doors & Windows	December 2025	January 2026
	Electricals (Wiring, Fixtures)	January 2026	January 2026
	Furniture & Fixtures	January 2026	February 2026
	HVAC (AC Units, Ventilation)	February 2026	March 2026
	Plumbing (Restroom Fixtures)	March 2026	March 2026
First Floor	RCC Framework	November 2025	December 2025
	Walls & Plastering	December 2025	December 2025
	Basic Flooring (Vitrified Tiles)	December 2025	January 2026
	Electricals (Basic Wiring)	January 2026	January 2026
	Plumbing	January 2026	January 2026
Second Floor	RCC Framework	December 2025	January 2026
	Walls & Plastering	January 2026	January 2026

Particulars	Components	Start Date	Completion Date
	Basic Flooring (Vitrified Tiles)	January 2026	February 2026
	Electricals (Basic Wiring)	February 2026	February 2026
	Plumbing	February 2026	March 2026
Total days			270

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

3. Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar

Further, please find schedule of implementation for the same:

Particulars	Estimated Schedule
Date of Purchase Order	June 2025
Date of receipt of machine	November 2025
Installation complete	December 2025
Testing complete	January 2026
Operational	January 2026

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

4. Funding our incremental working capital requirements

(a) Basis of estimation of working capital requirements

The details of working capital of our Company as at October 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, and the source of funding, on the basis of Restated Financial Information of our Company, as certified by M/s. S G U R & Co, Chartered Accountants, by way of their certificate dated January 31, 2025 are provided in the table below:

(₹ In Lakhs)

Sr. No.	Particulars	As at October 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A.	Current Assets				
	Inventories	3,740.48	3,120.88	1,551.91	1,721.32
	Trade receivables	4,178.65	2,836.78	2,569.16	2,222.48
	Short Term Loans and Advances	318.09	110.18	206.75	209.77
	Other Current Assets	1,094.37	1,185.15	864.38	546.41
	Total Current Assets (A)	9,331.59	7,252.99	5,192.20	4,699.98
B.	Current Liabilities				
	Trade payables	2,066.12	1,542.13	1,555.76	1,688.39
	Other Current Liabilities	439.84	340.79	276.07	233.99
	Short Term Provisions	423.94	450.61	372.36	278.04
	Total Current Liabilities (B)	2,929.90	2,333.53	2,204.19	2,200.42
C.	Total Working Capital requirements (C=A-B)	6,401.69	4,919.46	2,988.01	2,499.56
D.	Funding Pattern				
	Borrowings from banks, financial institution and non-banking financial companies	2,662.59	1,413.58	799.36	770.17
	Unsecured loans from Related Parties	483.97	878.10	919.88	802.16
	Internal Accruals and Equity	3,255.13	2,627.78	1,268.77	927.23
	Total	6,401.69	4,919.46	2,988.01	2,499.56

(b) Future working capital

We propose to utilize ₹3,000.00 Lakhs of the Net Proceeds in Fiscal 2026, towards our Company's incremental working capital requirements due to the increase in production capacity. The balance portion of our incremental working capital requirement shall be met through internal accruals.

On the basis of our existing working capital requirements, management estimates and the projected working capital requirements, our Board of Directors, pursuant to their resolution dated January 15, 2025 has approved the projected working capital requirements for Fiscal 2026. Our Statutory Auditors have certified the projected working capital vide their certificate dated January 31, 2025 and have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to the same. The proposed funding of such working capital requirements is stated below:

(₹ In Lakhs)

Sr. No.	Particulars	Fiscal 2025	Fiscal 2026
		Estimated	Projected
A.	Current Assets		
	Inventories	3,590.00	5,574.00
	Trade receivables	3,625.00	5,530.00
	Short Term Loans and Advances	150.00	200.00
	Other Current Assets	1,822.00	2,742.00
	Total Current Assets (A)	9,187.00	14,046.00
B.	Current Liabilities		
	Trade payables	1,995.00	2,430.00
	Other Current Liabilities	400.00	500.00
	Short Term Provisions	500.00	650.00
	Total Current Liabilities (B)	2,895.00	3,580.00
C.	Total Working Capital requirements (C=A-B)	6,292.00	10,466.00
	Funding Pattern		
D.	Borrowings from banks, financial institution and non-banking financial companies (D)	2,000.00	3,155.00
E.	Unsecured loans from Related Parties (F)	500.00	-
F.	Internal Accruals and Equity (G)	3,792.00	4,311.00
G.	Net Working Capital requirements (G=C-D-E-F)	-	3,000.00
H.	Amount proposed to be utilized from Net Proceeds	-	3,000.00

Monitoring of utilization of funds

Our Company has appointed “XXX” (Note: Name of the monitoring agency will be updated in the RHP) as the Monitoring Agency to monitor utilization of the Net Proceeds, in compliance with the SEBI ICDR Regulations.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Offer.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors, the uses and Bids of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Offer from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Offer from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

BASIS FOR OFFER PRICE

6. Comparison of accounting ratios with listed industry peers

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	P / E Ratio (times)	RoNW (%)	NAV (₹)
Kaytex Fabrics Limited	[●]	10.00	9.83	[●]	33.71%	29.17
Peer Group						
Veekayem Fashion and Apparels Limited	267.00	10.00	6.85	38.98	9.76%	70.20
Banswara Syntex Limited	145.35	5.00	10.30	14.11	6.59%	156.20
Donear Industries Limited	115.45	2.00	6.68	17.28	16.97%	39.37

Source: www.nseindia.com and www.bseindia.com

Notes:

- (1) The figures for the listed industry peers are based on the Audited Standalone Financial Statements filed for the financial year ended March 31, 2024.
(2) P / E Ratio has been computed based on their respective closing market price on May 27, 2025 as divided by the Basic EPS as on March 31, 2024.
(3) CMP is the closing prices or the last traded price of respective scripts as on May 27, 2025.

7. Key Performance Indicators (“KPIs”)

b) Comparison of financial KPIs of our company and our listed peers

As on September 30, 2024:

(₹ in Lakhs, otherwise mentioned)

Indicators	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) ⁽¹⁾	12,272.12	61,355.31	40,886.72
EBITDA (₹ in Lakhs) ⁽²⁾	981.23	4,293.43	4,240.05
EBITDA Margin (%) ⁽³⁾	8.00%	7.00%	10.37%
PAT (₹ in Lakhs) ⁽⁴⁾	296.67	609.98	1,935.93
PAT Margin (%) ⁽⁵⁾	2.42%	0.99%	4.73%
Return on equity (%) ⁽⁶⁾	6.47%	1.14%	9.04%
Return on capital employed (%) ⁽⁷⁾	6.04%	2.05%	6.38%
Debt-Equity Ratio (times) ⁽⁸⁾	2.02	0.85	1.75
Trade Receivables (days) ⁽⁹⁾	238	127	194
Trade Payables (days) ⁽¹⁰⁾	114	131	151
Inventory (days) ⁽¹¹⁾	294	468	629
Working Capital Cycle (days) ⁽¹²⁾	418	464	672

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their un-audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Un-Audited Financial Results filed for the half year ended September 30, 2024. The above data are not annualised.

As on March 31, 2024:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) ⁽¹⁾	12,494.14	24,382.14	126,420.93	79,914.31
EBITDA (₹ in Lakhs) ⁽²⁾	2,242.60	1,602.34	10,266.06	8,090.92
EBITDA Margin (%) ⁽³⁾	17.95%	6.57%	8.12%	10.12%
PAT (₹ in Lakhs) ⁽⁴⁾	1,130.80	402.55	3,525.17	3,471.34
PAT Margin (%) ⁽⁵⁾	9.05%	1.65%	2.79%	4.34%
Return on equity (%) ⁽⁶⁾	41.36%	10.26%	6.75%	18.48%
Return on capital employed (%) ⁽⁷⁾	32.72%	10.89%	6.58%	13.01%
Debt-Equity Ratio (times) ⁽⁸⁾	1.06	2.32	0.66	1.65
Trade Receivables (days) ⁽⁹⁾	83	92	60	79
Trade Payables (days) ⁽¹⁰⁾	62	25	52	61
Inventory (days) ⁽¹¹⁾	125	123	178	289
Working Capital Cycle (days) ⁽¹²⁾	146	191	186	307

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Statements filed for the financial year ended March 31, 2024.

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) ⁽¹⁾	9,918.84	23,509.53	1,49,877.85	82,566.40
EBITDA (₹ in Lakhs) ⁽²⁾	1,278.83	1,316.34	19,810.96	7,549.47
EBITDA Margin (%) ⁽³⁾	12.89%	5.60%	13.22%	9.14%
PAT (₹ in Lakhs) ⁽⁴⁾	559.14	180.99	11,141.26	3,624.00

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
PAT Margin (%) ⁽⁵⁾	5.64%	0.77%	7.43%	4.39%
Return on equity (%) ⁽⁶⁾	30.48%	5.31%	24.51%	23.61%
Return on capital employed (%) ⁽⁷⁾	25.81%	9.70%	19.91%	13.75%
Debt-Equity Ratio (times) ⁽⁸⁾	1.28	2.38	0.73	2.07
Trade Receivables (days) ⁽⁹⁾	95	75	52	70
Trade Payables (days) ⁽¹⁰⁾	73	26	51	56
Inventory (days) ⁽¹¹⁾	73	128	182	266
Working Capital Cycle (days) ⁽¹²⁾	95	177	183	280

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Statements filed for the financial year ended March 31, 2023.

As on March 31, 2022:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) ⁽¹⁾	8,225.84	14,900.64	1,18,977.12	56,945.81
EBITDA (₹ in Lakhs) ⁽²⁾	872.42	986.33	11,899.96	4,736.96
EBITDA Margin (%) ⁽³⁾	10.61%	6.62%	10.00%	8.32%
PAT (₹ in Lakhs) ⁽⁴⁾	392.18	188.54	4,673.78	2,277.17
PAT Margin (%) ⁽⁵⁾	4.77%	1.27%	3.93%	4.00%
Return on equity (%) ⁽⁶⁾	26.63%	6.28%	12.34%	18.15%
Return on capital employed (%) ⁽⁷⁾	19.50%	7.61%	11.95%	9.70%
Debt-Equity Ratio (times) ⁽⁸⁾	1.39	2.63	0.65	2.31
Trade Receivables (days) ⁽⁹⁾	99	90	39	83
Trade Payables (days) ⁽¹⁰⁾	93	52	74	102
Inventory (days) ⁽¹¹⁾	95	213	193	405
Working Capital Cycle (days) ⁽¹²⁾	101	252	158	387

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Statements filed for the financial year ended March 31, 2022.

SECTION VI – ABOUT THE COMPANY

OUR BUSINESS

Overview

We are a fast-fashion fabric solutions and manufacturing company, combining technology, design, and traditional craftsmanship to deliver textile and fashion products. We manage the entire process—from yarn to finished fabric production—ensuring quality and the ability to quickly adapt to changing market demands. We specialize in creating fabrics from a variety of fibres, including cotton, viscose, modal, acrylic, nylon, linen, and polyester. Our focus on digital printing—allows us to create customizable designs suited to the fast-paced nature of the fashion industry.

In addition to fabrics, we've expanded into fashion products in womenswear, offering ready-to-stitch suits, co-ord sets, shawls, scarves and stoles. By combining fashion trends with craftsmanship, we create products that meet the needs of today's consumers. Our approach and innovativeness allow us to deliver products that cater to both brands and individual customers as per current market situation.

Founded in 1996 in Amritsar, Punjab, we started as a traditional textile manufacturing company with deep roots in India's textile heritage. Known for our craftsmanship, we initially focused on producing fabrics for local and regional markets. As the fashion industry evolved, we recognized the need to modernize and adapt. Over the years, we invested in technologies like digital printing, computerized embroidery, and modern weaving techniques. These upgrades enabled us to respond to shifts in consumer preferences and produce fabrics suited to fast fashion. Today, we operate as a fabric manufacturer in Punjab, serving clients across segments, from apparel brands to individual consumers. Our offerings include fabrics, ready-to-stitch garments (womenswear), and designs that align with prevailing trends while preserving the techniques we have developed over time. This shift reflects our capacity to adapt and deliver value to our customers and partners.

Our business focuses on three core pillars that define our strategic approach and market presence:

- **Brand enabler for other apparel brands:** We work as a partner to apparel brands, supporting them in creating products for their customers. By supplying fabrics and designs based on market trends, we assist brands in developing collections that align with their target audience. Our experience spans a wide range of fabric types, enabling us to serve both established brands and new entrants. With our infrastructure and capabilities, we handle product development and execution, allowing brands to concentrate on their primary business activities. This approach helps brands respond to changes in the market and maintain their position.
- **Own Brands:** We also have our own brands “Rasiya”, “Kaytex” and “Darbaar-e-Khaas” catering to markets in North India, enabling rural and semi-urban presence. We manage everything from fabric production to ready-to-stitch suits, co-ord sets, and accessories such as shawls, scarves, and stoles. We focus on maintaining standards, following fashion trends, and offering prices aligned with customer expectations. Our brands offer designs that serves customer demand in Tier 2 and Tier 3 cities across Northern India. As our presence expands, we have reached new areas, established brand awareness, and built customer relationships.
- **Non-Branded Segment:** In the non-branded segment, we cater to bulk buyers, wholesalers, and retailers by supplying fabrics and garments such as ready-to-stitch suits and co-ord sets, accessories such as shawls, scarves, and stoles without specific branding. This segment focuses on delivering solutions to customers who prioritize flexibility and cost-effectiveness.”

Our business model allows us to serve different market segments by offering both branded and non-branded products. This approach supports our ability to meet the varied and changing requirements of the textile and fashion industries and enables our company to focus on serving a wide customer base.

Details of the expenses incurred by the company on designs in the last 3 financial years and stub period:

We use technologies such as digital printing for customizable designs, jacquard weaving for detailed patterns, computerized embroidery for consistent detailing, and processing methods in our operations. These methods support efficient production and help meet the changing requirements of the textile industry.

- **Digital Printing:** Our company uses reactive digital printing machines for printing on cotton/viscose fabrics from Hopetech and sublimation printing machine from Hopetech (combined with a heat transfer machine) for printing on polyester fabrics. For details, please refer page 226 under the heading “Digital Printing Process”.
- **Weaving:** Our company uses weaving machines by Sulzer. For details, please refer page 224 under the heading “Fabric Manufacturing Process”.
- **Jacquard:** We use electronic jacquard weaving machines by Sulzer, Vamatex and Somet. For further details, please refer page 225 under the heading “Jacquard Fabrics Manufacturing Process”.
- **Computerised Embroidery:** Our company uses computerized multi-head embroidery machines of Zhejiang Yuelong Sewing Equipment. Computerised embroidery is offered as an add-on service to complement fabric customization and hence no separate

manufacturing process is defined for the same.

➤ **Dyeing and Processing:** We use jigger dyeing, jet dyeing, mercerizing, sanforising, decadising and hot air stenters of *Harish*.

Our company maintains quality as a part of its operations. We start with inspection of raw materials such as yarns, dyes, chemicals, and greige fabrics to ensure they meet required specifications for durability, colour consistency, and performance. Before dispatch, each finished product is checked for physical appearance, strength, and compliance with design specifications. Parameters such as texture, colourfastness, stitching accuracy, shrinkage, tear strength, and pilling are reviewed to confirm they meet our customer-defined quality standards.

The details of expenses incurred on our design team for the period ended October 31, 2024, and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 is below:

(₹ in Lakhs)

Particulars	October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Salaries, bonus and other incentives paid	111.07	143.70	104.89	71.13
Designing charges paid to third parties	8.74	10.90	10.23	10.84
Total	119.81	154.60	115.12	81.97

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated May 16, 2025.

Our Revenue Mix

The fabrics processed by us under the digital printing business segment, caters to both, own inventory and third-party requirements, aligning with the Business model. We manufacture fabrics and garments for our own branded and non-branded segments, where the ownership remains with us. Simultaneously, we also undertake job work and contract-based processing for third parties, where the fabrics are owned by the respective clients or can be provided by the company depending on the requirement of the third-party. Further, our service revenue for the period ended October 31, 2024 and for the Fiscal 2024, 2023 and 2022 is divided below:

(₹ In Lakhs)

Particulars	October 31, 2024	2024	2023	2022
Processing	730.48	1,601.92	1,514.00	1,083.78
Printing	27.40	131.43	34.77	24.77
Weaving	7.28	68.75	53.33	22.98
Total sale of services	765.16	1,802.10	1,602.10	1,131.53

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025.

We undertake job work and contract-based processing for third parties, where the fabrics are owned by the respective clients or can be provided by the company depending on the requirement of the third-party.

Our Strengths

a) Single stop solution for customers enabled by an integrated unit with multiple capabilities across digital printing, weaving, jacquards, and embroidery

For details of the technology used in the various production cycle of the company, please see “Our Business - Overview” on page 209.

b) Adapter of digital printing technology in our operations

Our company has adopted digital printing technology as part of its operational strategy. This technology enables the creation of detailed and customizable designs on fabrics with precision and speed. Unlike traditional methods, digital printing is efficient, reduces material waste, and supports both small and large order quantities, making it suitable for the fast-moving fashion industry. This approach has helped improve our production processes and enhance our ability to respond to changing trends and customer requirements, allowing us to offer textile solutions aligned with market needs.

c) Cross segment coverage from Tier 1 cities to rural and branded to unbranded segments

Details of revenue bifurcation on the basis of various tiers in the last 3 financial years and stub period:

(₹ in Lakhs)

Categories	As at October 31, 2024	For Fiscal		
		2024	2023	2022
<i>Domestic</i>				
- Tier 1 cities	800.15	895.61	1002.83	803.95
- Tier 2 cities	6,240.33	9,125.68	7,385.70	6,709.90
- Tier 3 cities	1,832.84	2,472.85	1,530.29	711.98
<i>Exports</i>				
- UAE	234.11	-		
Total Revenue from operations	9,107.43	12,494.14	9,918.82	8,225.84

Note: Tier I, Tier II and Tier III cities Classification of Tiers as per Ministry of Finance (Government of India) HRA classification of X –Tier 1 (Population of 50 Lakh and above), Y –Tier 2 (Population of 5 to 50 Lakh) and Z –Tier 3 (Population below 5 Lakh) from Notification No. 2/5/17-EII(B) dated 7th July 2017.

d) Well established distribution network, low customer concentration and long-standing supplier relationships

Well-Established Distribution Network:

Please find below geographic location of the company's distributors and based on the various tiers in the last 3 financial years and stub period:

State	Tiers	October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Punjab	Tier 2	51	74	72	57
	Tier 3	8	9	8	8
Haryana	Tier 2	-	1	1	1
	Tier 3	11	10	10	4
Delhi	Tier 1	20	16	10	8
Uttar Pradesh	Tier 2	9	8	9	6
Himachal Pradesh	Tier 3	1	1	-	-
Jammu and Kashmir	Tier 2	6	8	4	11
	Tier 3		3	6	6
Madhya Pradesh	Tier 2			-	2
Rajasthan	Tier 2		1		
	Tier 3	2	1	1	-
Gujarat	Tier 2			2	-
Total		108	132	123	103

Note: Tier I, Tier II and Tier III cities Classification of Tiers as per Ministry of Finance (Government of India) HRA classification of X –Tier 1 (Population of 50 Lakh and above), Y –Tier 2 (Population of 5 to 50 Lakh) and Z –Tier 3 (Population below 5 Lakh) from Notification No. 2/5/17-ElI(B) dated 7th July 2017.

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025.

Long-Standing Supplier Relationships:

(₹ in Lakhs)

Particulars	October 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Total Purchases	% of Total Purchases	Total Purchases	% of Total Purchases	Total Purchases	% of Total Purchases	Total Purchases	% of Total Purchases
Top 10 suppliers*	2,859.99	68.67%	3,920.70	62.26%	3,153.48	71.07%	2,589.65	60.66%
Top 15 suppliers*	3,075.72	73.84%	4,430.00	70.34%	3,401.23	76.65%	2,887.52	67.64%

*We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business.

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated January 31, 2025.

We have been associated with our top 35 suppliers for an average period of 7 years.

f) Experienced management team with a proven track record

Shelly Kandhari, having around 15 years of experience in the textile manufacturing industry, has been actively involved in functions of the company such as designing, procurement, and administration. Priti Kandhari, having around 15 years of experience in textile manufacturing industry, has been associated with the company since 2009 and has overseen functions including accounts, finance, procurement, and human resources.

Raw Materials

Please find below of state wise domestic purchases of raw materials as per restated financials for the past 3 financial years and stub period:

(₹ in Lakhs)

Particulars	October 31, 2024	% of total Purchases	March 31, 2024	% of total Purchases	March 31, 2023	% of total Purchases	March 31, 2022	% of total Purchases
Punjab	1811.48	43.49%	2748.68	43.65%	2708.10	61.03%	2766.43	64.80%
Haryana	28.42	0.68%	103.20	1.64%	2.37	0.05%	4.18	0.10%
Delhi	10.76	0.26%	70.59	1.12%	38.40	0.87%	11.67	0.27%
Chandigarh	0.26	0.01%	0.41	0.01%	0.03	0.00%	-	-
Maharashtra	77.53	1.86%	134.23	2.13%	105.22	2.37%	106.95	2.51%
Gujarat	760.86	18.27%	1094.51	17.38%	290.70	6.55%	216.44	5.07%
Tamil Nadu	827.21	19.86%	1143.14	18.15%	201.81	4.55%	125.25	2.93%
Uttar Pradesh	315.45	7.57%	355.26	5.64%	187.22	4.22%	62.44	1.46%
Rajasthan	285.19	6.85%	567.98	9.02%	863.74	19.46%	735.28	17.22%

Particulars	October 31, 2024	% of total Purchases	March 31, 2024	% of total Purchases	March 31, 2023	% of total Purchases	March 31, 2022	% of total Purchases
Karnataka	40.50	0.97%	54.97	0.87%	9.62	0.22%	-	-
Dadra and Nagar Haveli	7.48	0.18%	24.74	0.39%	24.96	0.56%	143.64	3.36%
Andhra Pradesh	-	-	0.01	0.00%	-	-	-	-
Himachal Pradesh	-	-	-	-	0.87	0.02%	-	-
Jammu and Kashmir	-	-	-	-	0.33	0.01%	0.79	0.02%
Telangana	-	-	-	-	4.05	0.09%	95.68	2.24%
Madhya Pradesh	-	-	-	-	-	-	0.36	0.01%
Total	4165.13	100.00%	6297.71	100.00%	4437.42	100.00%	4269.11	100.00%

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025.

Our Products

Digital Printed Fabrics:



Jacquard Fabrics:



Corduroy & Dobby Fabrics:



Garments:



Marketing

In Tier 1 and Tier 2 cities, we act as a brand enabler by partnering with apparel brands, offering fabrics and solutions tailored to their needs. For Tier 3, Tier 4 cities, and semi-urban and rural areas, we focus on promoting our brands and supplying fabrics and ready-to-stitch garments, ensuring accessibility and affordability for a wider audience. Our sales team plays an important role in building relationships with clients, while agent networks help expand our reach in different markets.

Details of distributors in the past 3 financial years and stub period along with the geographic location:

State	October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Punjab	59	82	79	65
Haryana	11	12	11	5
Delhi	20	16	11	8
Uttar Pradesh	9	8	9	6
Himachal Pradesh	1	1	-	-
Jammu and Kashmir	6	11	10	17
Madhya Pradesh	-	-	-	2
Rajasthan	2	2	1	
Gujarat	-	-	2	-
Total	108	132	123	103

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025.

Employees and Human Resources

Details of personnel in the company's in-house design team in the last 3 financial years and stub period:

Particulars	October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Designers ⁽¹⁾	36	29	22	15

(1) Permanent employees of the company receiving a fixed monthly salary.

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated May 16, 2025.

Insurance

Property Insurance:

(₹ in Lakhs)							
Sr. No.	Insured Address	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
1.	Near Piller No 95 Main Batala Road Amritsar, Amritsar, Punjab, Pin-143001	United Value Udyam Suraksha Policy	United India Insurance Company Limited	500300112 4P1204039 61	0.18	288.00	12/03/2026
2.	Vill Bal Kalan Majitha Road, Amritsar, Punjab, Pin-143104	United Value Udyam Suraksha Policy	United India Insurance Company Limited	500300112 4P1194793 00	1.07	607.00	04/03/2026

Machinery Insurance:

(₹ in Lakhs)							
Sr. No.	Insured Address	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to

1	Vill Balkalan Majitha Road Amritsar, Punjab, Pin-143001	United Value Udyam Suraksha Policy	United India Insurance Company Limited	5003001125P100389708	3.06	1741.00	02/04/2026
2	Vill Balkalan Majitha Road Amritsar, Punjab, Pin-143001	United Bharat Sooksham Udyam Suraksha Policy	United India Insurance Company Limited	5003001125P100638888	0.90	509.5	02/04/2026

Car Insurance:

(₹ in Lakhs)

Sr. No.	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
2	Private Car Package Policy	Bajaj Allianz General Insurance Company Ltd.	OG-25-1934-1801-00009972	1.01	13.11	18/03/2026

Properties

Following properties are taken on lease / sub-lease / leave & license by our company:

Sr No.	Date of the agreement	Name of owner	Area of the property	Address of the property	Period of agreement	Rent (amount in ₹)	Purpose
1.	April 01, 2024	Priti Kandhari and Shelly Kandhari*	Approx. 1,102 sq. yards	Khasra No. 927, 2954/2443/922, 2956/925, Khata Khatauni No. 2627, 51/58, 1730/2638, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India	2 years 11 months 29 days	₹ 3.00 Lakhs per month	Packing and Despatch unit
2.	November 21, 2019	Karan Madaan and Umesh Madaan	Approx 1,900 sq. fts.	Near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, India	Renewed up to March 31, 2025	₹ 0.85 Lakhs per month	Warehouses
3.	November 21, 2019		Approx 800 sq. fts.			₹ 0.75 Lakhs per month	
4.	July 29, 2024	Kandhari Textile Mills Private Limited*	Approx 1,700 sq. fts.	Khasra No: 1445/1198/416-417, Gali Murgi Khana, Batala Road, Amritsar, Punjab, India	Up to March 31, 2025	₹0.05 Lakhs per month	Warehouse cum Corduroy and other fabrics production
5.	August 08, 2024	Sanjay Beri, Ajay Beri and Raju Kailash Chand Beri	Approx. 4,000 sq. yards	Village Balkalan, Majitha Road, Amritsar, Punjab	11 months	₹1.15 Lakhs per month	Sizing Unit
6.	May 16, 2024	Sachin Arvind Mehta and Smita Sachin Mehta	Approx. 2,305 sq. feet.	Flat No. W1301, "Lodha World Crest", Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India	24 months	₹4.50 Lakhs per month for 1 st year ₹4.725 Lakhs for 2 nd year	Guest House
7.	June 10, 2024	Ami Sanjay Shah	Approx. 757 sq. feet.	454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India	36 months	₹0.90 Lakhs per month for 1 st year ₹0.945 Lakhs for 2 nd year ₹0.99225 Lakhs for 3 rd year	Mumbai Sales and Marketing Office

*The rent agreement with the related parties is at arms' length price. The Company has ensured that the rental value aligns with fair market value, taking into account location, property size, amenities, and comparable rental transactions in the area, thereby ensuring compliance with arm's length principles in accordance with applicable accounting and regulatory standards.

OUR MANAGEMENT

Changes in the Key Managerial Personnel or the Senior Management in last three years

Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below:

Particulars	For period ended October 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Attrition Rates ⁽¹⁾	4.57%	6.76%	4.86%	3.15%
No. of employees who resigned during the period	27	35	23	11
Total as of the end of the period ⁽²⁾⁽³⁾	591	518	473	349

Note:
 (1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100.
 (2) Includes full-time employees of the company.
 (3) Sanjeev Kandhari, Managing Director of the company and Amit Kandhari, Wholetime Director and Chief Financial Officer of the Company, are appointed as on August 24, 2024 and Rubina Mahajan was appointed as Company Secretary and Compliance officer as on November 09, 2024.
 As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated March 20, 2025.

Interest of Directors

Interest in promotion of the Company

As on the date of this Draft Red Herring Prospectus, except for Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari who are the Promoters of our Company, none of our other directors are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 270.

OUR PROMOTERS AND PROMOTER GROUP

Details of our Promoters

Individual Promoters

Shelly Kandhari

	Shelly Kandhari, aged 58 years, is the Promoter and Non-Executive Director of our Company. For the complete profile of Shelly Kandhari along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see “<i>Our Management – Board of Directors</i>” on page 253. Her Permanent Account Number is AAWPK1788M. As on date of this Draft Red Herring Prospectus, Shelly Kandhari does not hold any equity share capital of our Company.
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Priti Kandhari

	Priti Kandhari, aged 51 years, is the Promoter and Non-Executive Director of our Company. For the complete profile of Priti Kandhari along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see “<i>Our Management – Board of Directors</i>” on page 253. Her Permanent Account Number is ACWPK4852C. As on date of this Draft Red Herring Prospectus, Priti Kandhari does not hold any equity share capital of our Company.
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Promoter Group

Natural Persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Shelly Kandhari	Late Inder Khanna	Father
	Late Nirmal Khanna	Mother
	Sanjeev Kandhari	Spouse
	Naveen Khanna	Brother
	Meenakshi Khanna, Bindu Mehra	Sister
	Sagar Kandhari	Son
	Devika Arora	Daughter
	Late Krishan Kumar Kandhari	Spouse's Father
	Janak Kandhari	Spouse's Mother
	Amit Kandhari	Spouse's Brother
	Sweety Ahuja	Spouse's Sister (s)

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Priti Kandhari	Manohar Lal Grover	Father
	Rita Grover	Mother
	Amit Kandhari	Spouse
	Neeraj Grover	Brother
	Sahil Kandhari	Son
	Chahat Kandhari	Daughter
	Late Krishan Kumar Kandhari	Spouse's Father
	Janak Kandhari	Spouse's Mother
	Sanjeev Kandhari	Spouse's Brother
	Sweety Ahuja	Spouse's Sister (s)

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

2. Sai Lakshay Prints Private Limited*

**Sai Lakshay Prints Private Limited has filed for voluntary liquidation w.e.f March 30, 2024, under Section 59 of the Insolvency and Bankruptcy Code (IBC), 2016, following a resolution passed by its Directors and Shareholders dated March 30, 2024. As the objective for which the Company was incorporated has been achieved, and no further business activities are planned, the Company has opted for an orderly closure in compliance with regulatory provisions.*

SECTION VII – FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a fast-fashion fabric solutions and manufacturing company, combining technology, design, and traditional craftsmanship to deliver textile and fashion products. We manage the entire process—from yarn to finished fabric production—ensuring quality and the ability to quickly adapt to changing market demands. We specialize in creating fabrics from a variety of fibres, including cotton, viscose, modal, acrylic, nylon, linen, and polyester. Our focus on digital printing—allows us to create customizable designs suited to the fast-paced nature of the fashion industry.

In addition to fabrics, we’ve expanded into fashion products in womenswear, offering ready-to-stitch suits, co-ord sets, shawls, scarves and stoles. By combining fashion trends with craftsmanship, we create products that meet the needs of today’s consumers. Our approach and innovativeness allow us to deliver products that cater to both brands and individual customers as per current market situation.

Founded in 1996 in Amritsar, Punjab, we started as a traditional textile manufacturing company with deep roots in India’s textile heritage. Known for our craftsmanship, we initially focused on producing fabrics for local and regional markets. As the fashion industry evolved, we recognized the need to modernize and adapt. Over the years, we invested in technologies like digital printing, computerized embroidery, and modern weaving techniques. These upgrades enabled us to respond to shifts in consumer preferences and produce fabrics suited to fast fashion. Today, we operate as a fabric manufacturer in Punjab, serving clients across segments, from apparel brands to individual consumers. Our offerings include fabrics, ready-to-stitch garments (womenswear), and designs that align with prevailing trends while preserving the techniques we have developed over time. This shift reflects our capacity to adapt and deliver value to our customers and partners.

Our business focuses on three core pillars that define our strategic approach and market presence:

- **Brand enabler for other apparel brands:** We work as a partner to apparel brands, supporting them in creating products for their customers. By supplying fabrics and designs based on market trends, we assist brands in developing collections that align with their target audience. Our experience spans a wide range of fabric types, enabling us to serve both established brands and new entrants. With our infrastructure and capabilities, we handle product development and execution, allowing brands to concentrate on their primary business activities. This approach helps brands respond to changes in the market and maintain their position.
- **Own Brands:** We also have our own brands “Rasiya”, “Kaytex” and “Darbaar-e-Khaas” catering to markets in North India, enabling rural and semi-urban presence. We manage everything from fabric production to ready-to-stitch suits, co-ord sets, and accessories such as shawls, scarves, and stoles. We focus on maintaining standards, following fashion trends, and offering prices aligned with customer expectations. Our brands offer designs that serves customer demand in Tier 2 and Tier 3 cities across Northern India. As our presence expands, we have reached new areas, established brand awareness, and built customer relationships.
- **Non-Branded Segment:** In the non-branded segment, we cater to bulk buyers, wholesalers, and retailers by supplying fabrics and garments such as ready-to-stitch suits and co-ord sets, accessories such as shawls, scarves, and stoles without specific branding. This segment focuses on delivering solutions to customers who prioritize flexibility and cost-effectiveness.”

Our business model allows us to serve different market segments by offering both branded and non-branded products. This approach supports our ability to meet the varied and changing requirements of the textile and fashion industries and enables our company to focus on serving a wide customer base.

We use technologies such as digital printing for customizable designs, jacquard weaving for detailed patterns, computerized embroidery for consistent detailing, and processing methods in our operations. These methods support efficient production and help meet the changing requirements of the textile industry.

- **Digital Printing:** Our company uses reactive digital printing machines for printing on cotton/viscose fabrics from Hopetech and sublimation printing machine from Hopetech (combined with a heat transfer machine) for printing on polyester fabrics. For details, please refer page 226 under the heading “Digital Printing Process”.
- **Weaving:** Our company uses weaving machines by Sulzer. For details, please refer page 224 under the heading “Fabric Manufacturing Process”.
- **Jacquard:** We use electronic jacquard weaving machines by Sulzer, Vamatex and Somet. For further details, please refer page 225 under the heading “Jacquard Fabrics Manufacturing Process”.
- **Computerised Embroidery:** Our company uses computerized multi-head embroidery machines of Zhejiang Yuelong Sewing Equipment. Computerised embroidery is offered as an add-on service to complement fabric customization and hence no separate manufacturing process is defined for the same.

➤ ***Dyeing and Processing:*** We use jigger dyeing, jet dyeing, mercerizing, sanforising, decadising and hot air stenters of *Harish*.

Our company maintains quality as a part of its operations. We start with inspection of raw materials such as yarns, dyes, chemicals, and greige fabrics to ensure they meet required specifications for durability, colour consistency, and performance. Before dispatch, each finished product is checked for physical appearance, strength, and compliance with design specifications. Parameters such as texture, colourfastness, stitching accuracy, shrinkage, tear strength, and pilling are reviewed to confirm they meet our customer-defined quality standards.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Litigation filed by the Company

1) Criminal proceedings

Kaytex Fabrics Private Limited and Amit Kandhari Vs Sunny Tex Fab and Rakesh Sachdeva (NACT/536/2022)

Our Company filed Complaint Case numbering (NACT/536/2022) in the Court of Judicial Magistrate (Special Court for N1 Act), Amritsar on February 21, 2022 under Section 138 of The Negotiable Instrument Act, against Sunny Tex Fab and Rakesh Sachdeva ("Accused") as a Cheque bearing No.002407 for an amount of Rs. 2,88,574/- dated September 9, 2021 drawn on HDFC bank which got returned when it was presented before the bank on the account of "payment stopped by drawer". Our Company issued a legal notice dated January 5, 2022 to the accused under Section 138 of The Negotiable Instrument Act requiring the accused to repay the amount due under the said cheque. As on date the matter is currently pending adjudication.

2) Other material proceedings based on Materiality Policy of our Company

NIL

Litigation filed against the Company

1) Criminal proceedings

Sunny Tex Fab and Rakesh Sachdeva Vs. Kaytex Fabrics Private Limited- (CRM-M-3456 of 2024)

A petition under section 482 of Cr.P.C was filed against our Company in the Hon'ble High Court of Punjab and Haryana at Chandigarh on January 19, 2024 by Sunny Tex Fab and Rakesh Sachdeva ("Petitioner") for quashing complaint bearing no NACT/536/2022 having registration date of February 21, 2022 filed under section 138 of Negotiable Instrument Act, 1881. The petitioner in their petition had prayed that summon to face trial under section 138 issued against them by Ld Judicial Magistrate 1st Class are totally illegal, arbitrary in nature and actual facts and circumstances of present case were not considered. Petitioner in the petition has claimed that complaint bearing no. NACT/536/2022 was filed against them by Kaytex Fabrics Private Limited were in petitioner had issued a cheque bearing No. 002407 for an amount of Rs. 2,88,576/- dated September 29, 2020 however on the presentation of cheque, the said cheque was dishonoured on the ground that payment was stopped by drawer. Petitioner had claimed that the cheque was security for two amounts of Rs 1,50,000/- and Rs 1,38,576/- which was paid to Respondent on November 24, 2021. Therefore, Respondent have misused the cheque in question and in order to obtain speedy remedy an appeal was filed before Hon'ble High Court of Punjab and Haryana. Therefore, it was prayed that present petition would be allowed and complaint bearing no. NACT/536/2022 to be quashed. As of now case is pending before the Hon'ble High Court.

2) Actions by statutory or regulatory authorities

NIL

3) Claims related to direct and indirect taxes

• Direct Tax:

• E- proceedings

As per website of Income Tax, the following E-Proceedings are shown as pending with "open" or "pending" status. However, in some letters the amount has not been mentioned and cannot be crystallized:

Assessment Year	Description	Amount	Current Status
2018-19	An adjustment Notice under section 143(1)(a) of the Income Tax Act, 1961 was issued against our company by the Deputy Commissioner of Income Tax, Bengaluru vide Communication Reference No. CPC/1819/G22/188006846 dated January 21, 2019. The said notice states that the return had errors/incorrect claims/inconsistencies which attracted the following adjustments: There was an Arithmetical error under section 143(1)(a). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the variance on account of proposed adjustment is Rs 13,54,970/-.	Rs. 13,54,970/-	Pending

Assessment Year	Description	Amount	Current Status
	There was an Incorrect Claim u/s 143(1)(a)(ii). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the variance on account of proposed adjustment is Rs 13,54,970/-. There was a Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the proposed adjustment to total income is Rs 13,54,970/-. Further, the no new notice or letter has been issued till date and as on date the said E-proceeding is pending		
2018-19	An adjustment Notice under section 143(1)(a) of the Income Tax Act, 1961 was issued against our company by the Deputy Commissioner of Income Tax, Bengaluru vide Communication Reference No. CPC/1819/G22/1948390821 dated November 1, 2019. The said notice states that the return had errors/incorrect claims/ inconsistencies which attracted the following adjustments: Amount not credited to the employee account under the ESI Act or any other fund for the welfare of the employee. The amount in ITR is Rs 0/-, the amount mentioned in the form is Rs. 5,34,822 and the proposed adjustment to total income is Rs. 5,34,822. Further, the no new notice or letter has been issued till date and as on date the said E-proceeding is pending	Rs. 5,34,822/-	Pending
2020-21	An Issue Letter was issued against our company by ITO Ward ASR vide Letter No. ITBA/COM/F/17/2019-20/1022152838(1) dated December 11, 2019. The said Letter states that 3rd instalment of Advance Tax is due for the Financial Year 2019-20 and directed to deposit 75% of the estimated Advance tax by December 15, 2019. Further, it also directs to provide complete details of payments made by the Company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2018-19 and what will be made in the current Financial Year 2019-20 in the format provided in the letter. The time limit for the same was December 12, 2019	Not ascertainable	Open
2020-21	An Issue Letter was issued against our company by ITO Ward ASR vide DIN & Letter No ITBA/COM/F/17/2019-20/1026273479(1) dated March 6, 2020. The said Letter states that 4th instalment of Advance Tax is due for the Financial Year 2019-20 and directed to deposit 100% of the estimated Advance tax by March 15, 2020. Further, it also directs to provide complete details of payment made by the company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2018-19 and what will be made in the Financial Year 2019-20 in the format provided in the letter. The time limit for the same was March 11, 2020.	Not ascertainable	Open
2018-19 to 2020-2021	A Recovery Notice was issued against our company by ITO Ward ASR vide DIN & Notice No. ITBA/RCV/S/221/2021-22/1039833827(1) dated February 17, 2022. The said Letter states that the following demands u/s 143(1)(a) raised against the company have not been paid: AY 2018-19 Rs.2,11,230/- AY 2020-21 Rs.15,820/- Further, the company is requested to show why a penalty should not be levied under section 221(1) of the Income Tax Act, 1961 and if the company has already paid the amount, submit the challan personally or via an authorized representative to receive credit. Furthermore, no response has been submitted by our company.	For AY 2018-2019 - Rs. 2,11,230/- For AY 2020-2021 - Rs. 15,820/-	Open
2023-24	An Issue Letter was issued against our Company by ITO Ward ASR	Not ascertainable	Open

Assessment Year	Description	Amount	Current Status
	vide DIN & Letter No. ITBA/COM/F/17/2022-23/1050371390(1) dated March 3, 2023. The said Letter states that the 4th instalment of Advance Tax is due for the Financial Year 2022-23 and is to be paid on or before 15/03/2023 and give the complete details of payments made by the Company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2021-22. Further, its states that the Company is requested to mention its PAN and quote the code on the challan properly to able to get credit for the taxes paid. The company's failure to pay advance tax or paying less than 90% of assessed tax incurs interest under Section 234B, while instalment delays attract interest under Section 234C of Income Tax Act.		

- Tax Deduction at Source**

Sr. No.	Financial Year	Total Default
	2024-25	81,165.96
	2023-24	78,444.35
	2022-23	14,303.50
	2021-22	884.00
	2020-21	8,810.84
	Prior Years	1,97,921.20
Total		3,72,719.01

- Outstanding Demand**

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
2024	1431a	2024202437332633603C	December 4, 2024	1	1,08,670/-	1,086/-
Total					1,08,670/-	1,086/-

- Indirect Tax**

NIL

4) Other material proceedings based on Materiality Policy of our Company

NIL

Litigation filed by the promoters

1) Criminal proceedings

NIL

2) Other pending proceedings

NIL

Litigation filed against the promoters

1) Criminal proceedings

NIL

2) Actions by regulatory authorities and statutory authorities

NIL

3) Claims related to direct and indirect taxes

- **Direct Tax:**
- **E- proceedings**

Assessment Year	Description	Amount	Current Status
Sanjeev Kandhari			
2018-19	An Adjustment Notice under section 143(1)(a) of Income Tax Act, 1961 was issued against Sanjeev Kandhari by Deputy Commissioner of Income Tax, CPC, Bengaluru vide communication CPC/1819/G22/1872423248 dated January 11, 2019. Notice Contains errors/incorrect claims/inconsistencies which attract adjustments under section 143(1)(a) of the Act: There was a variance on account of proposed adjustment which was Rs.12,424/-. However, the said e-proceeding is still showing pending	Rs. 12,424/-	Pending

- **Outstanding Demand**

Assessment Year	Section Code	Demand Number	Identification	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
Sanjeev Kandhari							
2020	1431a	2020202037040446273T		March 30, 2021	1	970/-	414/-
Total						970/-	414/-
Shelly Kandhari							
2019	201937099623314T		January 24, 2020		1	1,400/-	-
Total						1,400/-	-

- **Indirect Tax**

NIL

4) Other pending proceedings

NIL

5) Disciplinary action including any penalty taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

No disciplinary action including any penalty has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

Litigation filed by directors other than Promoters

1) Criminal proceedings

NIL

2) Other pending proceedings

NIL

Litigation filed against directors other than Promoters

1) Criminal proceedings

NIL

2) Other pending proceedings

NIL

3) Actions by regulatory authorities and statutory authorities

NIL

4) Claims related to direct and indirect taxes

- **Direct Tax**

- **E-proceedings**

NIL

- **Outstanding Demand**

- **Indirect Tax**

NIL

5) Other pending proceedings

NIL

Litigation by Group Companies

3) Criminal proceedings

NIL

4) Other pending proceedings

NIL

Litigation filed against Group Companies

1) Criminal proceedings

NIL

2) Actions by regulatory authorities and statutory authorities

NIL

3) Claims related to direct and indirect taxes

- **Direct Tax**

- **E-proceedings**

As per website of Income Tax, the following E-Proceedings are shown as pending with “open” or “pending” status. However, in some letters the amount has not been mentioned and cannot be crystallized:

Assessment Year	Description	Amount (in Rs.)	Proceeding Status
Khandhari Textile Mills Private Limited			
2019-20	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 vide DIN CPC/1920/G22/1967791989 dated December 04, 2019 and it stated that the return contains errors, incorrect claims, or inconsistencies which attracted the following adjustments: There was an error in Schedule BP, specifically in Sl. No. 15. The amounts debited to the profit and loss account, to the extent disallowable under Section 37 (Sl. No. 7k of Part-OI), were inconsistent with the total amount disallowable under Section 37 (total of Sl. No. 7a to 7j). The amount reported in the Income Tax Return was ₹0, while the computed amount was ₹215, leading to a proposed adjustment of ₹215.	Under Schedule BP amount of Rs 215	Pending

Assessment Year	Description	Amount (in Rs.)	Proceeding Status
Khandhari Textile Mills Private Limited			
	There was an inconsistency regarding the total amount of disallowance under Section 37, as indicated in Form Annexure 3CD. The amount shown in the Income Tax Return was ₹0, whereas the amount mentioned in the audit report was ₹215, resulting in a proposed adjustment to total income of ₹215. Further, no new notice or letter have been issued till date and as on date the said e-proceedings is pending. As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.		
2017-18	A Defective notice was issued against our Company under Section 139(9) of the Income-Tax Act, 1961 vide DIN CPC/1718/G5/1832596826 dated October 08, 2018 for rectifying the defect in return of income. As on date, no reply has been filed by our Company.	Nil	Pending
2017-18	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 vide DIN CPC/1718/G22/1810823265 dated July 12, 2018 contains the errors/incorrect claims/inconsistencies which attract adjustment(s): There was an inconsistency was noted in the total amount of disallowance under Section 37. While the amount reported in the Income Tax Return was ₹0, the computed amount was ₹233, leading to a proposed adjustment of ₹233. There was an disallowance of expenditure indicated in the audit report was not accounted for in the computation of total income in the return. The amount reported in the Income Tax Return was ₹0, whereas the amount mentioned in Form Annexure 3CD was ₹233, resulting in a proposed adjustment to total income of ₹233. Further, no new notice or letter have been issued till date and as on date the said e-proceedings is pending. As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.	Under Section 37 amount of Rs 233	Pending
2017-18	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 dated May 31, 2018 which provides for processing of income tax return filed by an assess so that true income can be determined and the errors/incorrect claims/inconsistencies which attract adjustment(s) can be cured. As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.	Not Ascertainable	Pending

• **Tax Deduction at Source**

Sr. No.	Financial Year	Total Default
Khandhari Textile Mills Private Limited		
1.	Prior years	5,436.50/-
Total		5,436.50/-

- **Indirect Tax**

NIL

4) Other pending proceedings

NIL

SECTION XIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Documents

9. Certificate dated January 20, 2025 issued by Er. Rohit Kapoor, Chartered Engineer certifying the details of the installed and production capacity of our manufacturing facilities, proposed capacity expansion for digital printing, plant and machineries installed at our manufacturing facilities and verification of the quotations for the objects of the offer.