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Draft Prospectus  
November 23, 2024  
Please read Section 26 and Section 32 of Companies Act, 2013  
100% Fixed Price Issue



**MAX SUPREME TEXTILES LIMITED**

Corporate Identification Number: U17299KL2021PLC066902

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON		EMAIL	
10/1051, Ayyappanpara, Thevarmani, Chathamangalam PO, Nemmara, Chathamangalam, Palakkad, Chittur, Kerala, India, 678508.		N.A.		Hareesh K G, Company Secretary & Compliance Officer		<a href="mailto:info@maxsupremetextiles.com">info@maxsupremetextiles.com</a>	
TELEPHONE / MOBILE NO.				WEBSITE			
+91 04923 291956				<a href="http://www.maxsupremetextiles.com">www.maxsupremetextiles.com</a>			
OUR PROMOTERS: MANI SAJUMOHAN, GANGADHARAN JYOTHI AND BIJU UTHUPPU							
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Issue Size	Eligibility			
Fresh Issue	Up to 17,20,000 Equity Shares aggregating up to ₹ 1,066.40 Lakhs.	N.A.	Up to ₹ 1,066.40 Lakhs	The Issue is being made pursuant to Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹1000.00 Lakhs.			
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES							
RISK IN RELATION TO THE FIRST ISSUE							
This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" on page 91 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.							
GENERAL RISKS							
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India ("SEBI") nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the statement of "Risk Factors" on page 22.							
COMPANY'S ABSOLUTE RESPONSIBILITY							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.							
LISTING							
The Equity Shares issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ('BSE SME'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "In-Principle" approval from the BSE for using its name in the Issue document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Stock Exchange will be BSE Limited.							
LEAD MANAGER TO THE ISSUE				REGISTRAR TO THE ISSUE			
 <p><b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> Website: <a href="http://www.fedsec.in">www.fedsec.in</a> Contact Person: Prashant Patankar/Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>				 <p><b>KFIN TECHNOLOGIES LIMITED</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. Telephone: +91 4067162222 E-mail: <a href="mailto:mstf.ipo@kfintech.com">mstf.ipo@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a> Contact Person: M Murali Krishna SEBI Registration No.: INR000000221 Investor Grievance E-Mail: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a></p>			
ISSUE PROGRAMME							
ISSUE OPENS ON: [●]				ISSUE CLOSURES ON: [●]*			

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



**MAX SUPREME TEXTILES LIMITED**

Our Company was originally incorporated on January 13, 2021, as a private company in the name and style of “Max Supreme Textiles Private Limited” under the provisions of the Companies Act, 2013 vide certificate of incorporation dated January 14, 2021, issued by the Deputy Registrar of Companies, Central Registration Centre on behalf of jurisdictional RoC. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on January 09, 2024, and consequently, the name of our Company was changed to “Max Supreme Textiles Limited”, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated February 28, 2024, was issued by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please see “History and Certain Corporate Matters” beginning on page 139.

**Corporate Identification Number:** U17299KL2021PLC066902

**Registered Office:** 10/1051, Ayyappanpara, Thevarmani, Chathamangalam PO, Nemmara, Chathamangalam, Palakkad, Chittur, Kerala, India, 678508.

**Tel No.:** +91 04923 291956; **Email:** [info@maxsupremetextiles.com](mailto:info@maxsupremetextiles.com); **Website:** [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com)

**Contact Person:** Hareesh KG, Company Secretary & Compliance Officer

**OUR PROMOTERS:** MANI SAJUMOHAN, GANGADHARAN JYOTHI AND BIJU UTHUPPU

THE ISSUE	
<p><b>INITIAL PUBLIC ISSUE* OF UP TO 17,20,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“EQUITY SHARES”) OF MAX SUPREME TEXTILES LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 62/- PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ 52/- PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO ₹ 1,066.40/- LAKHS (THE “ISSUE”). 88,000 EQUITY SHARES AGGREGATING TO ₹ 54.56/- LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 16,32,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ 62/- PER EQUITY SHARE AGGREGATING TO ₹ 1,011.84 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.07% AND 28.53% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE “TERMS OF THE ISSUE” ON PAGE 242.</b></p> <p><i>*Subject to finalisation of basis of allotment</i></p>	
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 6.2 TIMES OF THE FACE VALUE	
<p>In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post - Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.</p>	
ELIGIBLE INVESTORS	
<p>All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 252. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” on page 91 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the statement of “Risk Factors” on page 22.</p>	
COMPANY’S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received “In-Principle” approval from the BSE for using its name in the Issue document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Stock Exchange will be BSE Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<p><b>FEDEX SECURITIES PRIVATE LIMITED</b> B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India <b>Tel No.:</b> +91 81049 85249 <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Contact Person:</b> Prashant Patankar /Saipan Sanghvi <b>SEBI Registration Number:</b> INM000010163 <b>Investor Grievance E-Mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	<p><b>KFIN TECHNOLOGIES LIMITED</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. <b>Telephone:</b> +91 4067162222 <b>E-mail:</b> <a href="mailto:mstl.ipo@kfintech.com">mstl.ipo@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>Contact Person:</b> M Murali Krishna <b>SEBI Registration No.:</b> INR000000221 <b>Investor Grievance E-Mail:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a></p>
ISSUE PROGRAMME	
<b>ISSUE OPENS ON:</b>	[●]
<b>ISSUE CLOSES ON:</b>	[●]*

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

<b>SECTION - I – GENERAL</b> .....	2
DEFINITION AND ABBREVIATIONS .....	2
FORWARD-LOOKING STATEMENTS .....	14
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	15
SUMMARY OF ISSUE DOCUMENT .....	17
<b>SECTION - II - RISK FACTORS</b> .....	22
<b>SECTION – III INTRODUCTION</b> .....	51
THE ISSUE .....	51
SUMMARY OF FINANCIAL INFORMATION .....	52
GENERAL INFORMATION.....	56
CAPITAL STRUCTURE.....	66
<b>SECTION - IV – PARTICULARS OF THE ISSUE</b> .....	77
OBJECT OF THE ISSUE .....	77
BASIS FOR ISSUE PRICE.....	91
STATEMENT OF TAX BENEFITS.....	99
<b>SECTION V: ABOUT THE COMPANY</b> .....	104
INDUSTRY OVERVIEW .....	104
OUR BUSINESS.....	114
KEY INDUSTRY REGULATIONS AND POLICIES .....	132
HISTORY AND CERTAIN CORPORATE MATTERS.....	139
OUR MANAGEMENT.....	142
OUR PROMOTERS AND PROMOTER GROUP.....	155
OUR GROUP COMPANIES .....	159
DIVIDEND POLICY .....	160
<b>SECTION VI – FINANCIAL STATEMENTS</b> .....	161
RESTATED FINANCIAL STATEMENT.....	161
OTHER FINANCIAL INFORMATION .....	203
CAPITALIZATION STATEMENT .....	204
FINANCIAL INDEBTEDNESS.....	205
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION .....	207
<b>SECTION VII – LEGAL AND OTHER INFORMATION</b> .....	225
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	225
GOVERNMENT AND OTHER STATUTORY APPROVALS .....	228
OTHER REGULATORY AND STATUTORY DISCLSOURES .....	231
<b>SECTION VIII - ISSUE INFORMATION</b> .....	242
TERMS OF ISSUE .....	242
ISSUE STRUCTURE .....	250
ISSUE PROCEDURE .....	252
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	280
<b>SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	281
<b>SECTION X – OTHER INFORMATION</b> .....	294
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	294
DECLARATION.....	296

## SECTION - I – GENERAL

### DEFINITION AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act, 2013, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act, and the rules and regulations made thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

Notwithstanding the foregoing, the terms not defined but used in the “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Restated Financial Statement*”, “*Outstanding Litigations and Material Developments*”, and “*Main Provision of Articles of Association*” on pages 91, 104, 132, 161 ,225 and 281 respectively, shall have the meanings ascribed to such terms in the respective chapters.

#### GENERAL TERMS

Term	Description
“the Company”/ “our Company”/ “Issuer” / “Max Supreme Textiles Limited”	Max Supreme Textiles Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam PO, Nemmara, Palakkad, Chittur, Kerala India, 678508.
“Promoters”	The promoters of our Company are Mani Sajumohan, Gangadharan Jyothi and Biju Uthuppu.
“Promoter Group”	Includes such persons and entities constituting the promoter group of our company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, and as disclosed under “ <i>Our Promoters and Promoter Group</i> ” on page 155.
“we”/ “us” / “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”/ “your”/ “yours”	Prospective investors in this Issue.

#### COMPANY RELATED AND CONVENTIONAL TERMS

Term	Description
“AOA” / “Articles” / “Articles of Association”	The articles of association of our Company, as amended from time to time.
“Audit Committee”	The Audit Committee of our Board, as described in “ <i>Our Management- Committees of the Board of directors</i> ” on page 148.
“Auditors”/ “Statutory Auditors” / “Peer Review Auditor”	The Statutory Auditors and Peer Reviewed Auditor of our Company being M/s. SGS & Company, Chartered Accountants as mentioned in “ <i>General Information- Statutory Auditor to Our Company</i> ” on page 59.
“Board” / “Board of Directors”	The Board of Directors of our Company, or a duly constituted committee thereof. For details, see “ <i>Our Management-Board of Directors</i> ” on page 142.
“Chairperson”	The Chairperson of the Board of Directors of our Company being Mani Sajumohan. For further details, see “ <i>Our Management-Board of Directors</i> ” on page 142
“Company Secretary and Compliance Officer”	The Company Secretary and Compliance Officer of our Company, being Hareesh K G. For further details, see “ <i>Our Management- Our Key Managerial Personnel and Senior Management Personnel</i> ” on page 152.
“Chief Financial Officer”/ “CFO”	The Chief Financial Officer of our Company, being Sreejith V. For further details, see “ <i>Our Management- Our Key Managerial Personnel and Senior Management Personnel</i> ” on page 152.
“Corporate Identification Number”	U17299KL2021PLC066902
“Director(s)”	The director(s) on the Board of our Company as described in “ <i>Our Management-- Board of Directors</i> ” on page 142.
“Equity Shares”/ “Shares”	The Equity Shares of our Company having face value of ₹10.00/- each, fully paid up, unless otherwise specified in the context thereof.

Term	Description
“Equity Shareholders” / “Shareholders”	Persons /entities holding Equity Shares of our Company, from time to time.
“Group Companies”	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and also other companies as considered material by our Company, and as disclosed in “ <i>Our Group Companies</i> ” on page 159.
“Independent Director”	Independent directors on the Board, who are eligible to be appointed as an independent director under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please see “ <i>Our Management- Board of Directors</i> ” on page 142.
“ISIN”	International Securities Identification Number is INE0V1F01010.
“Key Managerial Personnel” / “KMP”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please see “ <i>Our Management- Board of Directors</i> ” on page 142.
“Managing Director” / “MD”	Mani Sajumohan is the Managing Director of our Company. For details, please see “ <i>Our Management- Board of Directors</i> ” on page 142.
“Manufacturing Facilities”	Manufacturing facilities consists of Unit-I cum registered office situated at 10/1051, Ayyappanpara, Thevarmani Chathamangalam PO, Nemmara, Chathamangalam, Palakad, Chittur, Kerala India, 678508 and Unit-II situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, 678508.
“Market Maker”	The market maker of our Company being [●].
“Materiality Policy”	The policy adopted by our Board on August 8, 2024, for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations as amended from time to time.
“MOA” / “Memorandum of Association”	The memorandum of association of our Company, as amended from time to time.
“Nomination & Remuneration Committee”	The nomination and remuneration committee of our Board described in “ <i>Our Management- Committees of the Board of Directors</i> ” on page 150.
“Non-executive Director(s)”	The non-executive director(s) of our Company are Biju Uthuppu, Alok Thomas Paul, Rajit Rajan, Koppath Babu Sajith and T. Vinaya Kumar. For further details please see “ <i>Our Management-Board of Directors</i> ” on page 142.
“NRIs” / “Non-Resident Indian”	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2,000.
“Person or Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
“Registered Office”	The registered office of our Company is situated at 10/1051, Ayyappanpara, Thevarmani Chathamangalam PO, Nemmara, Chathamangalam, Palakad, Chittur, Kerala India, 678508.
“Registrar of Companies” / “ROC”	Registrar of Companies, Ernakulam at Kerala.
“Restated Financial Information” / “Restated Financial Statements”	The Restated Audited Standalone Financial Statements of our Company for the three months period ended June 30, 2024, financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 which comprises of the restated balance sheet, restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto disclosed in “ <i>Restated Financial Statement</i> ” on page 161.
“Senior Management Personnel” / “SMP”	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in “ <i>Our Management- Brief Profile of Senior Management Personnel</i> ” on page 152.
“Shareholders/ Members”	Holders of equity shares of our Company from time to time.
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of the Board of Directors constituted in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in “ <i>Our Management-</i>

Term	Description
	<b>Stakeholders Relationship Committee</b> ” on page 151.
“Stock Exchange”	Unless the context requires otherwise, refers to, SME Platform of BSE Limited (“BSE SME”).
“Whole-time Director”	Gangadharan Jyothi is the whole-time director(s) of our Company. For details see <b>“Our Management-Board of Directors”</b> on page 142

## ISSUE RELATED TERMS

Term	Description
“Abridged Prospectus”	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
“Acknowledgement Slip”	The acknowledgement slips or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
“Allot” / “Allotment” / “Allotted” / “Allotment of Equity Shares”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
“Allotment Advice”	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Stock Exchange.
“Allottee(s)”	A successful Applicant to whom the Equity Shares are being allotted.
“Allotment Date”	Date on which the Allotment is made.
“Applicant” / “Investor”	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus and the Application Form.
“Application Lot”	2,000 Equity Shares and in multiples thereof.
“Application Amount”	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus.
“Application Supported by Blocked Amount”/ “ASBA”	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account in the specified Bank Account maintained with such SCSB and will include applications made by UPI Applicant using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by UPI Applicant using UPI Mechanism.
“ASBA Account”	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form and includes the account of an UPI Applicant which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.
“ASBA Applicant(s)”	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Draft Prospectus
“Bankers to the Company”	Bankers to the Company being ICICI Bank Limited (ICICI), State Bank of India (SBI) and South India Bank (SIB).
“Banker to the Issue” / “Refund Banker” / “Public Issue Bank”	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [ ● ].
“Bankers to the Issue Agreement”	Banker to the Issue Agreement entered on [ ● ] amongst our Company, Lead Manager, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in the <b>“Issue Procedure”</b> on page 252.
“Brokers Centers”	Broker centers notified by the Stock Exchanges, where the Bidders can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the BSE Limited.
“Business Day”	Any day on which commercial banks are open for the business.
“CAN” / “Confirmation of Allocation Note”	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Stock Exchange.
“Client ID”	Client Identification Number of the Beneficiary Account.
“Collection Centers”	Broker Centers notified by BSE where Applicant can submit the Application Forms

Term	Description
	to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE.
"Collecting Depository Participant" / "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
"Collecting Registrar and Share Transfer Agent" / "CRTAs"	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
"Controlling Branches"/ "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applications with the Registrar to the Issue and BSE and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
"Demographic Details"	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
"Depository" or "Depositories"	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
"Depository Participant"/ "DP"	A depository participant registered with SEBI under the Depositories Act.
"Designated CDP Locations"	Such centre of the CDPs where applicant can submit the ASBA For The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE.
"Designated Date"	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Issue Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account(s) or the Refund Account(s), as the case may be, in terms of the Prospectus after finalization of the Basis of Allotment in consultation with the Stock Exchange, following which Equity Shares will be Allotted in the Issue.
"Designated Intermediaries"	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
"Designated Market Maker"	[ ● ] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
"Designated RTA Locations"	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at Intermediaries <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
"DP ID"	Depository Participants Identification Number
"Draft Prospectus" / "DP"	This draft prospectus issued in accordance with the SEBI ICDR Regulations.
"Electronic Transfer of Funds"	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
"Eligible NRI"	NRI's from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
"Eligible QFIs"	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued

Term	Description
	thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
“SME Platform of BSE Limited (‘BSE SME’) / “SME Exchange”/ “Stock Exchange”	The SME platform of BSE Limited (‘BSE SME’), approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
“Escrow Account(s)”	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/ NACH in respect of the Applicant Amount.
“Escrow Agreement”	An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
“Escrow Collection Bank(s)”	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [ ● ].
“FII”/ “Foreign Institutional Investors”	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
“First Applicant”	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
“Foreign Portfolio Investor” / “FPIs”	Foreign Portfolio Investor as defined under SEBI FPI Regulations as amended time to time.
“Fugitive economic offender”	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) as amended from time to time.
“Fraudulent Borrower”	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations as amended from time to time.
“General Corporate Purpose”	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any Issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
“General Information Document”/ “GID”	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in “ <i>Issue Procedure</i> ” on page 252.
“Gross Proceeds”	The total Issue proceeds to be raised pursuant to the Issue.
“Issue” / “Issue Size” / “Public Issue” / “IPO”	Initial Public Issue of up to 17,20,000 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹62/- per Equity Share (including a securities premium of ₹52/- per Equity Share) aggregating to 1,066.40 lakhs.
“Issue Agreement”	The agreement dated September 18, 2024, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
“Issue Closing Date”	The date on which the Issue closes for subscription.
“Issue Opening Date”	The date on which the Issue opens for subscription.
“Issue Period”	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective Applicant can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicant. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
“Issue Price”	₹62/- per Equity Share (including securities premium of ₹52/- per Equity Share).
“Issue Proceeds”	The proceeds from the Issue based on the total number of Equity Shares allotted under the issue.
“KPI”	Key Performance Indicators.
“Lead Manager”/ “LM”	The Lead Manager to the Issue namely, Fedex Securities Private Limited.
“Listing Agreement”	The Listing Agreement to be signed between our Company and SME platform of



Term	Description
	BSE Limited ('BSE SME').
“Lot Size”	The Market lot and Trading lot for the Equity Share is 2,000 and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants.
“Mandate Request”	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
“Market Making Agreement”	The Market Making Agreement dated [ ● ] between our Company, the Lead Manager and Market Maker.
“Market Maker Reservation Portion”	The reserved portion of upto 88,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ 62/- per Equity Share (including a securities premium of ₹ 52/- per Equity Share) aggregating to upto ₹54.56 lakhs for the Market Maker in this Issue.
“MSME”	Micro Small and Medium Enterprises.
“Mutual Fund(s)”	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
“BSE”	BSE Limited
“Net Issue”	The Issue (excluding the Market Maker Reservation Portion) of upto 16,32,000 Equity Shares of face value ₹ 10.00/- each fully paid-up of our Company for cash at a price of ₹ 62/- per Equity Share (including a securities premium of ₹ 52/- per Equity Share) aggregating up to ₹ 1,011.84 lakhs
“Net Proceeds”	The Issue Proceeds less the Issue related expenses. For further details, please see “ <i>Objects of the Issue</i> ” on page 77.
“Non-Institutional Applicant” / “Non-Institutional Investor” / “NIB”/ “NII”	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicant and who have applied for Equity Shares for an amount of more than ₹2 lakhs.
“Non-Resident”	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
“NRIs” / “Non-Resident Indian”	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
“Overseas Corporate Body”/ “OCB”	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
“Person or Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
“Pricing date”	The date on which our Company in consultation with the LM, finalized the Issue Price, being ₹62/-
“Prospectus”	Prospectus dated [●], to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined in accordance with the Fixed Price Process, the size of the Issue and certain other information, including any addenda or corrigenda hereto.
“Public Issue Account”	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
“QIBs”/ “Qualified Institutional Buyers”	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
“Refund Account”	Account to which Application monies are to be refunded to the Applicant.
“Refund through electronic transfer of funds”	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
“Refund Bank” / “Refund Banker”	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [ ● ].
“Registered Brokers”	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI

Term	Description
	circular no. CIR/CFD/14/2012 dated October 4, 2012.
“Registrar Agreement”	The agreement dated August 8, 2024 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
“Registrar and Share Transfer Agents” / “RTAs”	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Registrar to the Issue”/ “Registrar”	Registrar to the Issue being Kfin Technologies Limited (KFin).
“Resident Indian”	A person resident in India, as defined under FEMA.
“Retail Individual Investors”	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2 lakhs.
“Revision Form”	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicant can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
“SME”	Small and medium sized enterprises.
“Self-Certified Syndicate Bank(s)” / “SCSBs”	<p>The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time. In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UP Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time.</p>
“Sponsor Bank”	Sponsor Bank being [ ● ] being a Banker to the Issue, appointed by our Company to

Term	Description
	act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Applicant using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
“Specified Locations”	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
“Stock Exchange”	SME platform of BSE Limited (BSE SME).
“Syndicate Member”	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
“TRS” / “Transaction Registration Slip”	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
“Underwriter”	[ ● ]
“Underwriting Agreement”	The Agreement dated [ ● ] entered between the Underwriter and our Company.
“UPI”	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
“UPI Applicant”	<p>Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the Application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an Issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>
“UPI Circulars”	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 (to the extent these circulars are not rescinded by SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023),SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022,SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism),SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023,SEBI circular no. 12 SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
“UPI Investors”	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, (ii) Non-Institutional Bidders with an application size of up to ₹ 5.00 lakhs in the Non-Institutional Category, Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting

Term	Description
	<p>Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5.00 lakhs are required to use UPI Mechanism and are required to provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>
“UPI ID”	ID Created on the UPI for single-window mobile payment system developed by NPCI.
“UPI PIN”	Password to authenticate UPI transaction.
“UPI Mandate Request”	<p>A request (intimating the UPI Investors by way of a notification on the UPI application and by way of a SMS directing the UPI Investors to such UPI mobile application) to the UPI Investors initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5.00 lakhs shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>
“UPI Mechanism”	The mechanism that may be used by UPI Investors in accordance with the UPI Circulars to make an ASBA Applications in the Issue.
“U.S Securities Act”	U.S Securities Act of 1933, as amended.
“WACA”	Weighted average cost of acquisition.
“Wilful Defaulter or a fraudulent borrower”	An entity or a person categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.
“Working Days”	“Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and in case of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
“BIS”	Bureau of Indian Standards.
“CAGR”	Compounded Annual Growth Rate.
“CMEDP”	Chief Minister Entrepreneurship Development Programme of the Government of Kerala.
“DPR”	Detail Project Report.
“KW”	Kilowatt.
“MSME”	Micro Small and Medium Enterprise.
“Non-Compete Agreements”	Non-Compete Agreements dated August 8, 2024 and August 8, 2024, entered by and between our Company and Mani Sajumohan (capacity of the proprietor of Supreme Narrow Fabric); and by and between our Company and Gangadharan Jyothi (in the capacity of the proprietor of Fabric and Supreme Textile respectively).

Term	Description
“PLI”	Production-Linked Incentive.
“PPMF yarn”	Polypropylene Multifilament Yarn.
“Sq. ft”	Square Feet.

#### CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
“A/c”	Account.
“AGM”	Annual General Meeting.
“AIF(s)”	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations.
“AS / Accounting Standards”	Accounting Standards as issued by the Institute of Chartered Accountants of India.
“ASBA”	Applications Supported by Blocked Amount.
“AY”	Assessment Year.
“Bn”	Billion.
“CAGR”	Compounded Annual Growth Rate.
“CARO”	Companies (Auditor’s Report) Order, 2016, as amended.
“CDSL”	Central Depository Services (India) Limited.
“CFO”	Chief Financial Officer.
“CGST”	Central GST.
“CIN”	Corporate Identification Number.
“CIT”	Commissioner of Income Tax.
“COPRA”	The Consumer Protection Act, 1986.
“Companies Act”	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.
“Consolidated FDI Policy”	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
“Contract Act”	The Indian Contract Act, 1872.
“Covid-19”	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
“CSR”	Corporate Social Responsibility.
“CY”	Calendar Year.
“Depositories Act”	The Depositories Act, 1996.
“Depository”	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
“DIN”	Director Identification Number.
“DIPP”	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI.
“DP”	Depository Participant.
“DP ID”	Depository Participant’s Identity Number.
“EBITDA”	Earnings before Interest, Tax, Depreciation and Amortization.
“ECS”	Electronic Clearing System.
“EGM”	Extraordinary General Meeting.
“Electricity Act”	The Electricity Act, 2003.
“EPFO”	Employees’ Provident Fund Organization.
“EPF Act”	The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
“EPS”	Earnings per share.
“ESI Act”	The Employees’ State Insurance Act, 1948.
“ESIC”	Employee State Insurance Corporation.
“ESOP”	Employee Stock Option Plan.
“ESPS”	Employee Stock Purchase Scheme.
“FCNR Account”	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA.

<b>Term</b>	<b>Description</b>
“FDI”	Foreign Direct Investment.
“FEMA Act/ FEMA”	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
“FEMA Regulations”	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto.
“FII(s)”	Foreign Institutional Investors as defined under SEBI FPI Regulations.
“Financial Year” / “Fiscal Year” / “FY”	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year.
“FIPB”	Foreign Investment Promotion Board.
“FVCI”	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
“GDP”	Gross Domestic Product.
“GIR Number”	General Index Registry Number.
“GOI/Government”	Government of India.
“Gratuity Act”	The Payment of Gratuity Act, 1972.
“GST Act”	The Central Goods and Services Tax Act, 2017.
“GST”	Goods and Services Tax.
“GSTIN”	GST Identification Number.
“HUF”	Hindu Undivided Family.
“HNI”	High Net Worth Individual.
“IBEF”	India Brand Equity Foundation.
“ICAI”	The Institute of Chartered Accountants of India.
“ICSI”	The Institute of Company Secretaries of India.
“IEC”	Import Export Code.
“IEM”	Industrial Entrepreneurs Memorandum.
“IFRS”	International Financial Reporting Standards.
“Indian GAAP”	Generally Accepted Accounting Principles in India.
“ISIN”	International Securities Identification Number.
“IT”	Information Technology.
“Rs.” / “Rupees” / “INR”/ “₹”	Indian Rupees.
“IGST”	Integrated GST.
“IT Act”	Income-tax Act, 1961.
“Indian GAAP”	Generally Accepted Accounting Principles in India.
“Insider Trading Regulations”	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
“IPO”	Initial Public Offering.
“KMP”	Key Managerial Personnel.
“Ltd.”	Limited.
“LM”	Lead Manager.
“IT Rules”	Income Tax Rules, 1962.
“Kms”	Kilometers.
“LC”	Letter of Credit.
“LIBOR”	London Interbank Offered Rate.
“MCA”	Ministry of Corporate Affairs, Government of India.
“MCLR”	Marginal cost of funds-based lending rate.
“Mn”	Million.
“Mutual Fund(s)”	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996.
“MOU”	Memorandum of Understanding.
“N.A.” / “NA”	Not Applicable.
“NACH”	National Automated Clearing House.
“NAV”	Net Asset Value.
“NEFT”	National Electronic Fund Transfer.
“NR”	Non-resident.
“NRE Account”	Non-Resident External Account
“NRI”	A person resident outside India who is a citizen of India as defined under the Foreign

Term	Description
	Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
"NRO Account"	Non-Resident Ordinary Account.
"NSDL"	National Securities Depository Limited.
"BSE"	BSE Limited.
"BSE SME"	SME Platform of BSE Limited.
"p.a."	Per annum.
"P/E Ratio"	Price/Earnings Ratio.
"PAN"	Permanent Account Number.
"PAT"	Profit After Tax.
"PBT"	Profit Before Tax.
"RBI"	Reserve Bank of India.
"RONW"	Return on Net Worth.
"ROCE"	Return on Capital Employed.
"RTGS"	Real Time Gross Settlement.
"SCRA"	Securities Contracts (Regulation) Act, 1956, as amended.
"SCRR"	Securities Contracts (Regulation) Rules, 1957, as amended.
"SEZ"	Special Economic Zones.
"SEBI"	The Securities and Exchange Board of India constituted under SEBI Act, 1992.
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
"SEBI FII Regulations"	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
"SEBI FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
"SEBI FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
"SEBI Mutual Fund Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"SEBI VCF Regulations"	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations.
"SEBI Takeover Regulations"/ "SEBI SAST Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
"Sq. mts"	Square Meters.
"STT"	Securities Transaction Tax.
"TAN"	Tax Deduction Account Number.
"TPA"	Tonnes Per Annum.
"VCFs"	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be.
"WCTL"	Working Capital Term Loan.
"WEO"	World Economic Outlook.
"WHO"	World Health Organization.
"YoY"	Year on Year.

## FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*objective*”, “*plan*”, “*propose*”, “*project*”, “*will*”, “*will continue*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- a. Our business depends and will continue to depend on our Manufacturing Facilities, and we are subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters;
- b. Our Capital Expenditure is significantly dependent on the policies and support of the State Government of Kerala
- c. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations;
- d. Commercialization and market development of new products may take longer time than expected and / or may involve unforeseen business risks. Our inability to successfully diversify our product offerings of may adversely affect our growth and negatively impact our profitability;
- e. If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and satisfaction, and our business, results of operations, cash flows and financial condition could be adversely affected;
- f. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 22, 114, and 207, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Key Managerial Personnel, the Senior Management Personnel the Lead Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company, the Directors and the Key Managerial Personnel will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references in this Draft Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GOI', 'Central Government' or the 'State Government' are to the GOI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

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

### Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is extracted from the Restated Financial Statements of our Company for the three months period ended June 30, 2024 and the Financial Years ended March 31, 2024, 2023 and 2022 prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "**Reports in Company Draft Prospectus**", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in "**Restated Financial Statements**" on page 161.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on page 22, 114, and 207 respectively, and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors - Industry information included in this Draft Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate**" on page 41 of this Draft Prospectus.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### Currency and units of presentation

In the Draft Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or 'Rs.' or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.

- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Exchange Rates

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

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

Currency <sup>#</sup>	As on June 30, 2024 <sup>**</sup>	As on March 31, 2024 <sup>*</sup>	As on March 31, 2023	As on March 31, 2022
1 USD	83.45	83.27	82.22	75.81

<sup>#</sup> Source: [www.fbil.org.in](http://www.fbil.org.in)

<sup>\*</sup> Since March 31, 2024, was a Sunday, the exchange rate was considered as on March 28, 2024, being the last working day prior to March 31, 2024.

<sup>\*\*</sup> Since June 30, 2024, was a Sunday, the exchange rate was considered as on June 28, 2024, being the last working day prior to June 30, 2024.

Note-All figures are rounded up to two decimals

## SUMMARY OF ISSUE DOCUMENT

This section is a general summary of certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including 'Risk Factors', 'The Issue', 'Capital Structure', 'Objects of the Issue', 'Industry Overview', 'Our Business', 'Our Promoters and Promoter Group', 'Financial Information', 'Outstanding Litigation and Material Developments', 'Issue Procedure' and 'Description of Equity Shares and Terms of Articles of Association' on pages 22, 51, 66, 77, 104, 114, 155, 161, 225, 252 and 281 respectively.

### SUMMARY OF BUSINESS

Incorporated in 2021, we are engaged in the manufacturing of technical textiles namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords. These narrow fabrics have elastic and non-elastic properties. Our products find application across varied industries such as garment, luggage, automobile, pet care, footwear, healthcare, home textiles and packaging.

For more details, please see "Our Business" on page 114.

### SUMMARY OF INDUSTRY

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion. Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

For more details, please see "Industry Overview" on page 104.

### PROMOTERS

The Promoters of our Company are Mani Sajumohan, Gangadharan Jyothi and Biju Uthuppu.

### ISSUE SIZE

The Issue size comprises of issuance of up to 17,20,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹62/- per Equity Share (including securities premium of ₹52/- per Equity Share) aggregating to ₹1,066.40 lakhs. The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 8, 2024 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on August 22, 2024, pursuant to section 62(1)(c) of the Companies Act, 2013.

For further details, see "The Issue", "Issue Structure", and "Issue Procedure" on page 51, 250 and 252.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects ("Objects of the Issue"):

(₹ in lakhs)

Particulars	Amount to be funded from Net Proceeds
Funding towards construction of a new office building at our Unit-II land	88.22
Funding towards purchase of machinery and equipment at our Unit-II;	98.69
Meeting incremental working capital requirements	Upto 506.25
General Corporate Purposes	[•]
<b>Total</b>	[•]

\*The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue.

## PRE-ISSUE SHAREHOLDING OF PROMOTERS & PROMOTER GROUP

Particulars	Pre-Issue		Post-Issue*	
	Number of Equity Shares of ₹ 10 each	Percentage (%) Holding	Number of Equity Shares of ₹ 10 each	Percentage (%) holding
<b>Promoter (A)</b>				
Mani Sajumohan	11,97,790	29.94	●	●
Gangadharan Jyothi	11,97,780	29.94	●	●
Biju Uthuppu	9,83,430	24.59	●	●
<b>Total (A)</b>	<b>33,79,000</b>	<b>84.47</b>	●	●
<b>Promoter Group (B)</b>				
Kurian Koodarathil Uthuppu	3,60,000	9.00	●	●
Pooja Mohan	1,60,000	4.00	●	●
Reshma Mohan	1,000	0.03	●	●
<b>Total (B)</b>	<b>5,21,000</b>	<b>13.03</b>	●	●
<b>Total (A+B)</b>	<b>39,00,000</b>	<b>97.50</b>	●	●

\*Subject to finalization of Basis of Allotment

## SUMMARY OF FINANCIAL INFORMATION

Particulars	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Share Capital (₹ in lakhs)	40.00	40.00	40.00	40.00
Net-worth (₹ in lakhs) <sup>(1)</sup>	557.75	537.31	369.03	178.56
Revenue (₹ in lakhs)	133.80	616.21	532.06	509.52
Profit after Tax (₹ in lakhs)	20.44	168.28	190.47	138.72
Earnings per share before bonus (Basic & diluted) (₹) <sup>(2) (3)</sup>	5.11	42.07	47.62	43.62
Earnings per share after bonus issue (Basic & diluted) (₹) <sup>(2) (3)</sup>	0.51	4.21	4.76	5.99
Net Asset Value per Equity Share (₹) <sup>(4)</sup>	139.44	134.33	92.26	44.64
Net Asset Value per Equity Share post Bonus (₹) <sup>(5)</sup>	13.94	13.43	9.23	4.46
Total borrowings (₹ in lakhs) <sup>(6)</sup>	585.88	556.66	260.91	97.86

Notes:

- Net Worth amounts are calculated as sum of equity share capital and reserves and surplus.
- Basic earnings per share (in ₹) = Restated profit for the year attributable to equity shareholders / weighted average number of Equity Shares.
- Diluted earnings per share (in ₹) = Restated profit for the year attributable to equity shareholders / weighted average number of diluted Equity Shares. Adjusted for bonus equity shares issued by the Company after the end of the year.
- Net asset value per Equity Share (in ₹) = Net Worth at the end of the year / Total number of Equity Shares outstanding at the end of the year
- Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ weighted average number of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.
- Total borrowings are computed as current borrowings plus non-current borrowings

For further details in relation to the Restated Financial Statements, see “**Restated Financial Statements**” on page 161.

## QUALIFICATIONS OF AUDITORS

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Statements. The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors, Promoters, Group company is provided below:

(₹ in lakhs)

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) ^
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors (other than Promoters)</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	1	Nil	Nil	Nil	2.30^
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Group Companies</b>						
By Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^ Rounded off to closest decimal and to the extent quantifiable.

For further details, please see “*Outstanding Litigations & Material Developments*” on page 225.

## RISK FACTORS

Specific attention of Applicants is invited to the section “*Risk Factors*” on page 22 of this Draft Prospectus. Applicants are advised to read the risk factors carefully before taking an investment decision in the Issue.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on date of this Draft Prospectus, our Company does not have any contingent liabilities claims/ demands not acknowledged as debt for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions of the Company for the year three months period ended June 30, 2024 Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Particulars	For the three months period ended June 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loan Taken</b>				
Gangadaran Jyothi	6.00	10.00	-	10.50
Mani Sajumohan	14.00	20.00	-	65.69
Pooja Mohan	-	-	20.50	-
<b>Loan Repaid</b>				
Gangadaran Jyothi	-	10.00	-	21.50
Mani Sajumohan	2.00	20.00	-	76.19
Pooja Mohan	-	-	20.50	2.25
<b>Directors' Remuneration</b>				
Pooja Mohan	-	1.65	21.04	60.00
<b>Purchase of goods</b>				
Supreme Narrow Fabrics	3.79	0.74	-	27.05
Supreme Textiles	6.87	13.15	-	0.35

Particulars	For the three months period ended June 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of goods</b>				
Supreme Textiles	0.001	0.001	2.66	1.25
<b>Job work charge</b>				
Supreme Narrow Fabrics	-	-	-	4.17
Supreme Textiles	-	-	15.62	18.12

#### Related Party balances

(₹ in lakhs)

Particulars	For the year ended June 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loan outstanding</b>				
Gangadharan Jyothi	6.00	-	-	-
Mani Sajumohan	12.00	-	-	-
<b>Advances to Suppliers</b>				
Supreme Textiles	-	-	-	3.74
Supreme Narrow Fabrics	-	-	-	0.016
<b>Salary Payable</b>				
Pooja Mohan	-	-	-	6.59

For further details please see “*Restated Financial Statements*” on page 161.

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS:

The weighted average price at which the equity shares were acquired by our Promoters in the one year preceding the date of this Draft Prospectus.

Name of Promoters	Number of equity shares of ₹10 each acquired in the one year preceding the date of this Draft Prospectus	Weighted Average Cost of Acquisition per Equity Share (in ₹)*
Mani Sajumohan	11,50,533	Nil
Gangadharan Jyothi	11,40,080	Nil
Biju Uthuppu	9,83,430	62.10

\*As certified by our Statutory Auditor M/s SGS & Company, Chartered Accountants by way of their certificate dated November 23, 2024.

#### WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES TRANSACTED IN THE THREE YEARS, 18 MONTHS AND ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS:

Period	Weighted average cost of acquisition per Equity Share (in ₹) ^%	Issue Price is “x” times the weighted average cost of acquisition	Range of acquisition price per equity share: lowest price-highest price (in ₹)^
Last one year preceding the date of Draft Prospectus	21.56	2.88	Nil-621
Last 18 months preceding the date of Draft Prospectus	21.53	2.88	Nil-621

Period	Weighted average cost of acquisition per Equity Share (in ₹) ^%	Issue Price is “x” times the weighted average cost of acquisition	Range of acquisition price per equity share: lowest price-highest price (in ₹)^
Last 3 years preceding the date of Draft Prospectus	21.53	2.88	Nil-621

Note - %Computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer by way of gift and bonus issue).

^ As certified by our Statutory Auditor M/s SGS & Company, Chartered Accountants by way of their certificate dated November 23, 2024

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Prospectus is:

Name of Promoters	Number of Equity Shares of ₹ 10/- each held	Average Cost of Acquisition per Equity Share (in ₹)*
Mani Sajumohan	11,97,790	0.78
Gangadharan Jyothi	11,97,780	0.93
Biju Uthuppu	9,83,430	62.10

\*As certified by our Statutory Auditor M/s SGS & Company, Chartered Accountants by way of their certificate dated November 23, 2024

#### DETAILS OF PRE-ISSUE PLACEMENT

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

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Issue/ Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Equity Shares Allotted	Benefits Accrued
July 26, 2024	36,00,000	10	Nil	Bonus Issue	Mani Sajumohan	10,78,011	Capitalization of Reserve & Surplus
					Gangadharan Jyothi	10,78,002	
					Biju Uthuppu	8,85,087	
					Kurian Koodarathil Uthuppu	3,24,000	
					Pooja Mohan	1,44,000	
					Nupoor Sinha	90,000	
					Reshma Mohan	900	

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

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

#### EXEMPTION FROM PROVISIONS OF SECURITIES LAW

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

## SECTION - II - RISK FACTORS

*An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 114,104 and 207 respectively of, as well as the financial and other information contained in, this Draft Prospectus.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please see the “Forward-Looking Statements” on page 14.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Prospectus. For further information, please refer to chapter titled “Restated Financial Statements” on page 205 of this Draft Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company”, or “the Company” refers to Max Supreme Textiles Limited.*

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### **RISKS RELATING TO OUR BUSINESS**

- 1. *Our business depends and will continue to depend on our Manufacturing Facilities, and we are subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters.***

Our Manufacturing Facilities, including our proposed Manufacturing Facility (“Unit-II”), are situated in the State of Kerala. Our business is dependent upon our ability to manage our operations which involves manufacturing, storage and transportation, which are subject to various operating risks, including planned shutdowns of our Manufacturing Facility for maintenance, statutory inspections and testing and those beyond our control, such as the breakdown or failure of equipment, industrial accidents, severe weather conditions, and natural disasters. Any significant malfunction or breakdown or occurrence of any accident involving any of our machinery, our equipment, or any other part of our manufacturing operations or systems (together, our “Manufacturing Assets”) may entail significant repair and maintenance costs, cause delays, suspension or full or partial shutdown of our operations. If we are unable to repair or rectify our Manufacturing Assets in a timely manner or at all which could have an adverse effect on our business, financial condition and results of operations.

Additionally, due to the geographical concentration of our Manufacturing Facilities within the State of Kerala, any material adverse social, political or economic development, natural calamities, civil disruptions, regional conflicts and demographic and population changes or changes in the policies of the state government or local governments in this region could adversely affect our manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations.

Further, although we have not experienced disruptions at our manufacturing facilities in the past, we cannot assure you that we will not experience any disruptions in our operations in the future that could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our business, results of operations and financial condition.

- 2. *Certain of our Directors are involved in one or more ventures which are in the same line of business as that of our Company.***



Mani Sajumohan (Promoter, Chairman & Managing Director) is the proprietor of Supreme Narrow Fabric. Further, Ms. Gangadharan Jyothi (Promoter and Whole-time Director) is the proprietor of Supreme Textile. Supreme Narrow Fabric and Supreme Textile (collectively 'proprietorship concerns') are in the same line of business as that of our Company for instance Supreme Narrow Fabric is engaged in the manufacturing of narrow fabric and Supreme Textile is engaged in the manufacturing of narrow fabrics, knitted elastics, mask loop and lingerie elastics. Our Company has entered into a Non-compete Agreements with our Promoters namely, Mani Sajumohan and Gangadharan Jyothi pursuant to which our Promoters have agreed to close these entities subject to compliance with the terms of entrepreneur support scheme of the State Government of Kerala availed by the respective proprietorship concern. Accordingly, pending such closure there can be no assurance that our Promoter Directors will be able to address conflicts of interest that arise because of their positions in such ventures. Also, there can be no assurance that our Directors will not engage in any competing business activity or acquire interests in competing ventures in the future. For further details regarding other directorships of our Directors, see "**Our Management**" on page 142.

3. ***The land on which our new manufacturing facility i.e. Unit II is situated is owned by Kurian Koodarathil Uthupp, one of the members of our Promoter Group and has been obtained by us on lease. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

Our Unit-II situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, 678508, Kerala, India from where we propose to undertake manufacturing of PPMF Yarns and narrow fabrics has been leased from our Promoter Group namely, Kurian Koodarathil Uthupp vide for the tenure of 30 years on a lease rent of ₹10,000/- per month, effective from December 18, 2022. Our Company has entered into such transactions due to easy proximity to our existing manufacturing unit i.e. Unit-I.

In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our manufacturing operations, which could lead to impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please see "**Our Business-Our Properties**" on page 129. There can be no assurance that we will, in the future, be able to renew the agreements on the same or similar terms, or will be able to find alternate locations for our manufacturing operations on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our lease agreements, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the lease agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

4. ***Our capital expenditure in the past have been influenced by the policies and support offered to industries by the State Government of Kerala.***

As an MSME manufacturer, we receive certain assistance and incentive under various State Government of Kerala sponsored programmes. For instance, against the setting-up of our Unit-I we received incentive by way subsidy of ₹37.00 lakhs under the Entrepreneurs support scheme of the State Government of Kerala. Further, our application under Make in Kerala-Mission 1000 scheme of the State Government of Kerala for Unit-II was approved by the relevant authorities. Accordingly, based on the prevailing terms of the scheme, we are eligible for a subsidy of upto 40% of capital expenditure incurred by us on Unit-II, subject to an overall cap of ₹200 lakhs. Additionally, we will also be entitled for 50% interest subvention on the working capital loan availed by us for Unit-II, with an overall cap of ₹50 lakhs for a period of 4 (four) years starting from the date of approval of the DPR.

Further, we have also availed term loan from Kerala Financial Corporation at a concessional rate of 5% p.a. under the Chief Minister's Entrepreneurship Development Programme (CMEDP). Participating in such scheme, reduces our overall average cost of borrowings. Also, in the past we have availed subsidy of ₹37.00 lakhs towards capital expenditure incurred for setting-up of Unit I under the scheme of the State Government of Kerala.

While we have not been denied any benefit or experienced any undue delay in receipt of the subsidy amount in the past, there can be no assurance that the State Government may not abruptly withdraw the scheme, change any terms of discharge of the subsidy amount such as, limitation on the number of claim that a company can make or any denial of these benefits for any reason or any delay in release of subsidy amount which can have an impact on our business, capital expenditure that we incur, return on investment, cashflow and profitability.

5. ***We have a very limited operating history of our manufacturing operations, which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated as Max Supreme Textiles Private Limited under the Companies Act, 2013, vide Certificate of Incorporation dated January 13, 2021, issued by the Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company

pursuant to a resolution passed in the EOGM of the Company dated January 9, 2024 and the name of the Company was changed to Max Supreme Textiles Limited with a fresh certificate of incorporation dated February 28, 2024 issued to the Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. Our Company is promoted by Mani Sajumohan and Gangadharan Jyothi. Our Promoters have a combined experience of more than 20 years in the field of manufacturing of narrow fabrics. However, our manufacturing operations commenced in 2021 and as a result we have very limited operating history from which one can evaluate our business, future prospects and viability. our future revenues and profitability are also difficult to estimate and could fluctuate significantly and as a result the price of our equity shares may be volatile. For further details relating to the history of our Company, see “*History and Certain Corporate Matters*” and “*Restated Financial Statement*” at page 139 and 161, respectively.

**6. The Company is dependent on a few numbers of customers for sales. The loss of any of this large customer may affect our revenues and profitability.**

Our revenue from top customers as a contribution to our revenue from operations based on the Restated Financial Statement, is as detailed herein below:

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Top customer	38.55	28.81	276.79	44.92	404.08	75.95	431.95	84.78
Top 5 (five) customer	99.22	74.16	471.50	76.52	508.38	95.55	501.43	98.41
Top 10 (ten) customer	115.44	86.28	558.20	90.59	527.06	99.06	506.89	99.48

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

Some of our top 10 (ten) customers include Cameo Bags, Zerah Solutions, Kitex Limited, Akshaya rubbers, Mantax Lifestyle Private Limited, Maria Industries, Hemaratan Sale Corporation, Marwel Marketing, Aysha Traders\* and Shell Apparels Pvt Ltd\*. Our Company is engaged in the business of manufacturing of technical textile, primarily narrow fabrics. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. For instance, revenue from our top customer has reduced significantly from ₹431.95 lakhs in Fiscal 2022 to ₹276.79 in Fiscal 2024 and was at ₹ 38.55 lakhs for the three months period ended June 30, 2024, primarily on account of change in procurement policy of our customer. While we are able to diversify our customer base, we cannot assure you that we will be able to maintain historic levels of business. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations.

The composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time

*\*awaiting consent*

**7. The Company is dependent on few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.**

We procure our raw materials, such as PPMF yarn and other raw materials required in manufacturing process on a purchase order basis and have not entered into long term contracts for the supply of such raw materials. Our raw materials consumed for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹118.52 lakhs, ₹245.35 lakhs, ₹99.04 lakhs and ₹106.23 lakhs which, constituted 86.31 %, 39.82%, 18.61%, and 20.85% of our revenue from operations for such periods.

Our purchase from top suppliers as a percentage to our total purchase based on Restated Financial Statement, is as detailed herein below:

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase
Sanathan Textiles Limited	75.32	67.94	157.06	65.69	74.88	68.61	51.40	43.39
Top 5 (five) supplier	101.87	87.83	212.63	88.93	101.60	93.09	109.02	92.03
Top 10 (ten) supplier	111.76	96.36	228.90	95.74	107.45	98.45	114.99	97.07

\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024

Some of our top 10 (ten) suppliers include Sanathan Textiles Limited, Tiara Manoj Exports, Supreme Textiles PKD, Supreme narrow fabrics, Sri Raja Traders, Filatex-Vechukunnel Private Limited, Laxmi Ganapathy Textiles, Rubfila International Siyaram Packaging Private Limited\* and Manjurani & Co\*. As we are dependent on few raw material suppliers, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and any unanticipated variation in any of these factors could have a material adverse effect on our operations. However, the composition and amount of purchase from these suppliers might change as we continue to seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

While we are taking necessary steps to maintain consistent supply of our primary raw materials i.e. PPMF yarn, including setting up of Unit-II for manufacturing of PPMF yarn from granules, we cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. The success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. While we have not faced any disruption in supply of raw material from our suppliers in past, we cannot assure you that we will continue to enjoy undisrupted relationships with our suppliers in the future. If we are unable to obtain adequate supplies of raw material in a timely manner or on commercially acceptable terms, or if there are significant increases in the prices of the raw materials, our business and results of operations may be materially and adversely affected.

Any increase in prices of raw materials could have an impact on our working capital as we would require additional funds to procure the necessary raw materials at higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase can potentially strain our working capital availability.

\*awaiting consent

**8. Our proposed construction of new office building is subject to the risk of unanticipated delays in implementation and cost overruns.**

Our Company has set-up a manufacturing facility (Unit-II) for the manufacturing of PPMF yarn and narrow fabrics. We intend to utilize a portion of the Net Proceeds of the Issue for financing the proposed expansion of our manufacturing facilities, primarily towards purchase of additional machineries and construction of the new office building on the surplus land at Unit-II. Upon construction of the new office building, we would be able to shift our existing office from Unit-I to the proposed new office building, which would enable us to expand our manufacturing capacity of Unit-I. For additional details in respect of the foregoing, see “*Objects of the Issue*” on page 77.

We have not commenced construction of the new office building at our land in Unit-II. Accordingly, we may encounter cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, delay in approvals, competitive environment and interest rate fluctuations, changes in design and configuration of the projects, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management. Further, we are subject to self-certification benefit and thus exempt from various approval required with respect to construction of the new office building for a period of three years starting from November 18, 2022.

If we are not able to commence construction of the new office building in a timely manner, or at all, our business, prospects and results of operations may be adversely affected. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all.

We cannot assure that we will be able to complete the aforementioned construction of the new office building in accordance with the proposed schedule of implementation and any delay in construction in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

**9. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.**

Our business requires a significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our net working capital requirement for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is ₹ 255.66 lakhs, ₹233.79 lakhs, ₹148.25 lakhs and ₹ (29.97) lakhs, respectively. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Our working capital requirements have increased in recent years in line with the increase in our revenue from operations and also increase in domestic sales. Further, our working capital requirements may further increase if our payment terms do not include advance payments or need to provide enhanced credit terms to survive competition, which may also increase our working capital burdens.

Our high working capital requirement requires us to obtain financing through various means. As on the date of this Draft Prospectus, we meet our working capital requirements in the ordinary course of our business from capital, internal accruals, overdraft facilities from banks, financial institutions, etc. For details, see “**Financial Indebtedness**” on page 205. We may incur additional indebtedness in the future. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants under our financing agreements. Additional equity financing could dilute our earnings per equity share and investors interest in the Company and could adversely impact our Equity Share price.

Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

**10. Our Company, its Directors and its Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various forums and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status.**

There are outstanding legal proceedings involving the Promoters, Directors and the Company. These proceedings are pending at different levels of adjudication before various courts. The details of such outstanding litigations as at the date of this Draft Prospectus are as follows:

A classification of these outstanding proceedings is given in the following table:

(₹ in lakhs)

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) ^
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors (other than Promoters)</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	1	Nil	Nil	Nil	2.30^
<b>Promoters</b>						

By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Group Companies</b>						
By Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*^rounding off to the closest decimal and to the extent quantifiable.*

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please see "**Outstanding Litigation and Material Developments**" on page 225.

**11. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.**

We sell at our standard credit terms with payments ranging generally between 30 to 120 days to our domestic customers depending on the relationship, market reputation, risk associated with such customer. Further in case of export we offer credit period between 30 to 90 days depending on the country where our customer is located, credit worthiness of the customer and whether secured through letter of credit or other security. Further, we receive advance from some of our customers and the outstanding advance from our customers was ₹ 0.55 lakhs, ₹0.56 lakhs, ₹0.36 lakhs and ₹76.86 lakhs for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. We generally monitor the ability of our customers to pay these credit arrangements and limit the credit, we extend to what is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. While we have not experienced any bad debts or made provisions towards doubtful receivables for the three years period under consideration, there is a risk that our estimates may not be accurate.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off and disputed trade receivables which have significant increase in credit risk.

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Trade Receivables	153.80	114.95	168.55	27.35	86.18	16.20	13.89	2.73
receivable turnover days (in days)	105	-	100	-	59	-	10	-

Any increase in our receivable turnover days may negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their

payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**12. *Commercialization and market development of new products may take longer time than expected and / or may involve unforeseen business risks. Our inability to successfully diversify our product offerings of may adversely affect our growth and negatively impact our profitability.***

We manufacture technical textile namely, narrow fabrics such as polyester webbing, binding tapes, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, techno medicals tapes and braided cords, which finds its application in the bags, shoes, cars, pet wears, sportswear. which are used in industries like luggage, sports, footwear, home interior, pet care etc. Further, with the commencement of production in Unit-II, we would also enter into manufacturing of PPMF yarns, mattress tape, furniture elastics, and pet accessories. While we would be using PPMF yarns as our raw material we would also engage in sale of these yarns to our existing and potential customers.

We believe that we share a good client relationship with our customers and we receive majority of our business from repetitive clients. The key factor in our business is the fabric quality given the critical application in which our products are used. Based on client requirements, the inspection and testing of the quality of our products are also outsourced to inspection agencies that are NABL-accredited laboratories.

Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. Further, as part of our business strategies, we intend to further diversify our product portfolio by entering into new product in the value chain. For details, please see “*Our Business - Our Strategies*” on page 121. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect or address changing consumer trends or emerging industry standards.

Any rapid change in the expectations of our dealers and end customers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition. Further, there can be no assurance that our newly developed products will achieve commercial success. Even if such products can be successfully commercialized, there is no guarantee that they will be accepted widely by the market. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the research and development of such product. Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, and delays in product development and possible defects in products.

**13. *If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and satisfaction, and our business, results of operations, cash flows and financial condition could be adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy includes growing our product portfolio, diversify and increasing our penetration in markets, focus on quality and improve operational efficiency. For further information, see “*Our Business – Our Strategies*” on page 121.

Many factors may contribute to a decline in our revenue growth rates, including increased competition, slowing demand for our product from existing and new customers, reduced market acceptance, inability to attract new customers, general economic conditions, government actions and policies, a failure by us to continue capitalizing on growth opportunities, changes in the regulatory framework, availability of an alternate to our product, non-availability of raw materials at competitive pricing, inability to procure raw materials from new sources and the maturation of our business, among others. We cannot assure you that our current and planned systems, policies, procedures and controls, personnel and third-party relationships will be adequate to support our future operations. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our business, financial condition, results of operations and prospects.

To manage operations and personnel growth, we will need to continue to grow and improve our operational, financial, and management controls and our reporting systems and procedures. Failure to manage our anticipated growth and organizational changes in a manner that preserves the key aspects of our culture could reduce our ability to recruit and retain personnel, innovate, operate effectively, and execute on our business strategy, potentially adversely affecting our business, results of operations, cash flows and financial condition.

In addition, there may be delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; increased difficulty and cost in implementing these efforts; and the incurrence of other unexpected costs associated with operating the business. Any of these factors could adversely impact our results of operations. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

**14. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.**

We have secured outstanding debt of ₹ 585.88 lakhs as of June 30, 2024 and ₹556.66 lakhs as on March 31, 2024 and we have secured our lenders by creating charge over our movable and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding, please see “*Restated Financial Statement*” and “*Financial Indebtedness*” on page 161 and 205 respectively.

**15. We have incurred borrowings from commercial banks and any non-compliance with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.**

We have entered into agreements with banks for short-term and long-term borrowings. The table below sets out the details of borrowings incurred by our Company for the period mentioned below:

(₹ in lakhs)

Particulars	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Long Term Borrowing	425.53	404.72	122.49	83.29
Short Term Borrowing	160.35	151.94	138.42	14.57

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Certain agreements that we have entered into contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters such as availing any changes in capital structure, formulate any scheme of amalgamation or reconstruction, fresh credit facility, giving fresh loans and advances, opening/ maintaining new bank accounts issuing corporate guarantee etc. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, which may adversely affect our business and financial condition. Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the necessary consent to take the actions that we are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans, and affect our business, financial condition, results of operations and prospects. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. For more information, see “*Financial Indebtedness*” on page 205.

**16. Our Promoter and member of Promoter Group have extended personal guarantee in connection with some of our debt facilities to our Company. There can be no assurance that such personal guarantee will be continued to be provided by our Promoters in future or can be called at any time, affecting the financial arrangements.**

Our Promoters, Mani Sajumohan, Gangadharan Jyothi and some of the members of our Promoter Group namely, Pooja Mohan and Kurian Koodarathil Uthupp have provided personal guarantees to secure our existing borrowings which are continuing and are in force as on the date of this Draft Prospectus. Following are the personal guarantees extended by our Promoters as a security for borrowings availed by our Company:

(₹ in lakhs)

Sr. No.	Lender	Name of the Borrower	Nature of facility Sanction	Amount Guaranteed	Outstanding as on September 30, 2024
1.	ICICI Bank Limited	Our Company	Overdraft	137.80	35.88
2.	Kerala Finance Corporation	Our Company	Term Loan	350	331.78
3.	Small Industries Development Bank of India	Our Company	Term Loan	103.27	76.53

Further, our Company has also mortgaged its immovable properties including its factory land and building to secure our credit facilities. As on June 30, 2024, the total outstanding was ₹ 585.88 lakhs. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

In the event any of default under any of the aforesaid facilities, there is a risk that the relevant lender for such facilities may invoke our Promoters' guarantee(s) or require additional guarantees or collateral or may enforce its rights against our Promoters in case of default. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Accordingly, our business, the financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

17. *Our Company had negative cash flows during certain fiscal years in relation to our investing and financing activities. Sustained negative cash flows in the future would adversely affect our results of operations and financial condition.*

While we do not have negative operating cash flow in the three preceding Fiscals, we have experienced negative cash flows from investing and financing activities. The following table summarizes our cash flow data for the periods indicated:

(₹ in lakhs)

Particulars	For the three months period ended June 30, 2024	For the year ended March 31,		
		2024	2023	2022
Net Cash generated from Operating Activities	6.81	127.12	40.21	213.03
Net Cash (Used in) Investing Activities	(31.83)	(483.05)	(164.27)	(270.01)
Net Cash from/ (Used in) Financing Activities	27.27	285.78	151.56	100.13
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2.25</b>	<b>(70.15)</b>	<b>27.51</b>	<b>43.15</b>

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations.

We cannot assure you that our net cash flows will be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. For further details, see "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 161 and 207, respectively.

18. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders. Further, our Company has significant purchase from related parties namely, Supreme Textiles PKD and Supreme Narrow Fabrics of ₹10.66 lakhs for the three months period ended June 30, 2024 and ₹13.89 lakhs for the Fiscal 2024.*




In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. For further information on our related party transactions, please see “**Restated Financial Statements**” on page 161. While we confirm all such related party transactions that we have entered into are conducted on an arms’ length basis and in accordance with the Companies Act and other applicable regulations if any, but there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Further, it is likely that we will enter into related party transactions in the future.

We have significant purchase and sale from related parties namely, Supreme Textiles and Supreme Narrow Fabrics. Our purchase and sale from related parties are as under:

Particulars	For the three months period ended June 30, 2024	For the year ended March 31,		
		2024	2023	2022
Purchase from related parties (₹ lakhs)	10.66	13.89	0.00	27.40
As a % of total purchases	9.19	5.81	0.00	23.13
Sales to related parties (₹ lakhs)	Negligible	Negligible	2.66	1.25
As a % of total revenue from operations	Negligible	Negligible	0.50	0.25

Furthermore, pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the Listing Regulations, in the interest of our Company and its minority shareholders and in compliance with the Listing Regulations, we cannot assure you these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

19. ***Our Company has applied for registration of the trademarks in its name. Until such registration is granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.***

Our Company has made applications under class 22, 23 and 24 for registration of our logo “” under the Trade Mark Act, 1999. As on dated, our applications are currently at ‘Formalities Chk Pass’ stage of the trademark registration process. There can be no assurance that we will be able to get the respective trademark applications registered.

Pending the registration of these trademarks, any other vendor in the similar line of business as ours may use the above-mentioned trademarks and we may have a lesser recourse to initiate legal proceedings to protect our intellectual property. Further, our applications for the registration of certain trademarks may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to use such trademarks and / or avail the legal protection or prevent unauthorized use of such trademarks by third parties, which may adversely affect our goodwill and business. For further details see “**Our Business - Intellectual Property**” and “**Government and Other Statutory Approvals**” on pages 130 and 228, respectively.

20. ***Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. Some of these approvals are granted for a limited duration. While we are required to obtain a number of approvals for legally conducting our business operations and we shall submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see “**Government and other Statutory Approvals**” on page 228.

There can be no assurance that the relevant authorities will issue such permits or approvals to us or that they will be issued on time. Further, these permits, licenses and approvals are subject to several conditions and we cannot assure you that we will be able to continuously meet the conditions, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals.

21. ***If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

To remain competitive and efficient, modernization and technology upgradation are crucial for reducing costs and increasing output. Our business heavily relies on technology and machinery to deliver quality services. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition, leading to a loss of competitive edge in the market. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. For instance, we have installed automatic and semi-automatic machine for yarn making, weaving and packing. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market.

22. ***The success of our business depends substantially on our Promoters, a number of key management personnel, management team, and on our operational workforce. Our inability to retain them or to recruit highly skilled technical personnel that are necessary for our business could adversely affect our businesses.***

Our performance depends largely on the efforts and abilities of our Promoter Directors, namely Mani Sajumohan and Gangadharan Jyothi, management and other key personnel. They have gained experience in this line of business and have over the years built relations with our customers and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for project development and procurement activities, and our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see “***Our Management-Key Managerial Personnel***” on page 152. We cannot assure you that these individuals or any other member of our key management and senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

Our Company does not maintain any director’s and officer’s insurance policy or any keyman insurance policy. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. While we believe that our future success depends largely on our continued ability to hire, assimilate, retain and leverage the skills of qualified and skilled personnel, we may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing the skills of such personnel which may adversely affect our ability to realise our growth strategy. Further, our ability to sustain our growth depends significantly upon training these employees effectively. If we are unable to recruit and retain personnel with the requisite experience, our growth and competitive position maybe adversely affected.

23. Any defect in our products may result in our orders being cancelled and we could become liable to customers, suffer adverse publicity and incur substantial costs which in turn could affect us adversely.

Any defect in our products could result in cancellation of our orders for manufacturing and selling the products. Further, our customers may reject the entire order if the products developed are not as per their expectations and we run the risk of recall and any product liability, including claim for damages due to defects in our products. Therefore, our past results of operations should not be taken as indicative of our future performance. Although, we attempt to maintain quality standards, and although there have not been any instances of cancellation of our orders due to defects, we cannot assure that all our products would be of uniform quality. Any defect in our products and claims by our customers against our products could adversely affect the value of our brand, and our sales could diminish. Further, our business is dependent on the trust of our customers in the quality of our products and delivery of services. Any negative publicity regarding our Company, brand, or products, including those arising from a drop in quality of materials from our vendors, mishaps resulting from the use of our products could affect our reputation and our results

from operations. In the event the products sold by us are defective or substandard for any reason, including due to human errors at any stage of manufacturing, our customers may pursue claims or actions against us which could materially and adversely affect our business, financial conditions and results of operations.

24. There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.

There have been certain discrepancies in relation to statutory filings required to be made by us with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act details of which are provided hereunder:

- There has been a typography error in the resolution attached to the Form DIR-12 filed for the cessation of Reshma Mohan with the RoC wherein the date of cessation is mentioned as December 20, 2020 instead of February 26, 2021.
- There has been a non-compliance with section 196 (3) wherein Pooja Mohan was appointed as a Managing Director at the age 20 years 8 months.
- There has been a typography error in the resolution attached to Form DIR-12 filed for the change in designation of Biju Uthuppu with the RoC where the text of the board resolution was inadvertently filed as members resolution.

There have been delays in filing forms with the RoC. For instance 1) Form INC 22 for notice situation of the registered office in Fiscal 2021; 2) Form DIR-12 for change in designation of Kurian Koodarathil Uthuppu; 3) FormDPT-3 for filing of return of loans outstanding as of March 31, 2023 which shall not be considered as deposits 4)Form DIR-12 for appointment of T. Vinaya Kumar, Alok Thomas Paul, Koppath Babu Sajith and Rajit Rajan; 5) Form MGT-14 for filing of the Board resolution for appointment of T. Vinaya Kumar, Alok Thomas Paul, Koppath Babu Sajith and Rajit Rajan .

Although, no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences (including penalty or action) which may have an adverse effect on our business, finance and results of operations.

25. We have not yet placed orders in relation to the capital expenditure to be incurred for the proposed purchase of equipment / machineries. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs.

We intend to utilize portions of the Net Proceeds, to an extent of ₹98.69 lakhs for Funding capital expenditure requirements for the purchase of equipment/machineries. While we have procured quotations from various vendors in relation to the capital expenditure to support our expanding operations, we have not placed any firm orders for any of them. For details in respect of the foregoing, please see **“Objects of the Issue”** on page 77. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or completion of the civil and related works, or in the event the vendors are not able to provide the equipment and services in a timely manner, or at all, we may encounter time and cost overruns. Further, if we are unable to procure equipment and ancillary items or avail services from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the similar kind of plant and machinery, equipment and ancillary items and services, which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment and services at acceptable prices or in a timely manner, may result in an increase in capital expenditure, extension or variation in the proposed schedule of implementation and deployment of the Net Proceeds, thereby resulting in an adverse effect on our business, prospects and results of operations.

26. We operate in a competitive and fragmented industry with low barriers to entry and may be unable to compete with a range of unorganized sector.

In the dynamic landscape of the textile business, one of the formidable challenges arises from competition in the unorganized sector. We operate in the manufacturing of technical textile namely, narrow fabrics such as polyester webbing, binding tapes, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, techno Medicals and braided cord, which is competitive and fragmented and we compete with a range of unorganized players, at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, associates or clients to such competitors. Additionally, our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors' responsiveness to their client's needs. Our continued success depends on our ability to compete effectively against our existing and future competitors. While our products are subject to quality check and process audit by our customers and empanelment as their vendor, which results in some entry barriers, the potential entry of new competitors, given the relatively low entry barriers in the industry where we operate, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, which could have material adverse effect on our business, results of operations and financial condition.

27. *We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products and any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.*

As a manufacturing business, our success depends on the smooth supply and transport of the various raw materials required for our manufacturing facility and of our products from our manufacturing facility to our customers, or delivery points if any, which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road, rail and sea. While we have 2 (two) goods carrier vehicles for transport of raw material and our finished goods to and from the hub location such as local transport office, nearby airport railway station and port. We use third-party freight and transportation providers for the delivery to and of our products beyond these points. The below table provides details of the transport cost incurred by our Company:

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Transport Charges	7.45	5.57	16.36	2.66	7.09	1.33	8.88	1.74

We do not have formal contractual relationships with such logistic companies and freight forwarders, particularly in the export markets. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our customer and suppliers.

Further, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. While we have not encountered any such risk in the past, we cannot assure you that we would not be subject to this risk in the future. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in

fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations or passing these charges on to our customers, which could adversely affect demand for our products.

28. Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, revenue from manufacturing operations and financial condition.

We are a manufacturing entity and, at all points of time, a certain portion of assets comprise inventory of raw materials and finished products. As on March 31, 2024 and as of June 30, 2024 our inventory which comprises of finished goods, raw materials, packaging material, etc is ₹39.76 lakhs and ₹89.12 lakhs and represents 6.45% and 66.61% of our revenue from operations. Maintaining sufficient inventory of raw materials is critical for our operations. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of materials and increase the costs of our operations. In the event, we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to wastage and increase our operating costs and further restrict our ability to service our customers in a timely and cost-efficient manner. Additionally, if our inventory of finished products is not dispatched on time or if there is an unanticipated delay in the delivery of our finished products or if the finished products are not properly maintained or are damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

29. The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.

We require substantial power for our manufacturing operations. The following tables set forth below our power expenses in the years/ periods indicated;

(₹in lakhs)

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	As a percent of Revenue from Operations (%)	Amount (₹ in lakhs)	As a percent of Revenue from Operations (%)	Amount (₹ in lakhs)	As a percent of Revenue from Operations (%)	Amount (₹ in lakhs)	As a percent of Revenue from Operations (%)
Power & Fuel	1.87	1.40	6.62	1.07	7.62	1.43	4.72	0.93

We have arrangements for regular power supply at our manufacturing facilities. The total sanctioned and connected power load of our manufacturing facilities is 62 KVA from Kerala State Electricity Board Limited for Unit-I and 240 KVA from Kerala State Electricity Board Limited for Unit-II. We have also installed diesel generator sets at our manufacturing facilities to ensure continuity of operations in case of power outage. Further, we have also installed solar plant of 55 KW at our Unit-I and 100 KW at our Unit-II. The requirement of power is met by supply from the local state power grid and solar power plant. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented / augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of oil prices and other constraints. Our Company is mainly dependent on the State Governments for meeting its electricity requirements. Any disruption / non-availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company. There have been no major instances of power failure in the last three years.

There can be no assurance that the electricity supplied to our existing manufacturing facility will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the per unit cost of electricity is increased by the state electricity board our power cost will increase. Any changes in government policies or local power and water shortages could adversely affect our production facility and ultimately our operations or financial condition may be adversely affected. A prolonged suspension in production could materially and adversely affect our business, financial condition, results of operations or cash flows.

30. *Information relating to the current and historical installed capacity of the plants in our manufacturing facilities*

*included in this Draft Prospectus are based on various assumptions and estimates.*

Information relating to the current and historical installed capacity of the plants currently in our manufacturing facilities are based on certain technical assumptions. Such assumptions include assumptions for arriving at production capacity like number of shifts and the duration of each shift. Prospective investors should not place undue reliance on the historical installed capacity information in our manufacturing facilities. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at our manufacturing facilities, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. While we have not encountered any prolonged delay in our manufacturing operations, we cannot assure that we would not be subject to such risk in the future.

While we have obtained a certificate from M/s. S Mohanan, Chartered Engineer dated November 22, 2024, actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus. For further details, please see **“Our Business-Capacity and Capacity Utilization”** on page 124.

**31. *Our Industry is sensitive to general economic downturn***

Our Industry is inherently sensitive to general economic downturns. Any adverse developments affecting the industry can have a significant impact on our business, prospects, financial condition, and results of operations. Our business is highly vulnerable to regional conditions and economic downturns, making it susceptible to unforeseen events or circumstances that negatively affect the industry, leading to material adverse effects on our sales and profitability. These factors encompass a range of elements, including changes in demographics, population, and income levels. Moreover, our business is exposed to risks associated with regional natural disasters and other catastrophic events, such as telecommunications failures, cyber-attacks, fires, riots, and political unrest. Any materially adverse social, political, or economic development, natural calamities, civil disruptions, or changes in the policies of local governments within the industry could adversely affect operations at our manufacturing facility. Specifically, natural disasters such as earthquakes, extreme weather conditions like floods, droughts, or region-specific diseases, may disrupt the supply chain, affecting the availability of raw materials, end-products, and local transportation. These disruptions would have a significant and adverse impact on our business, profitability, and overall reputation

**32. *Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations.***

Factors beyond our control or the control of our customers may postpone the delivery of such services or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such services, resulting from our customers discretion or problems we encounter in the delivery of such services or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such services can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

**33. *Our Business requires the deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

Our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Whilst we have not faced any strike by our workforce, we cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of October 31, 2024, we employed about 26 workmen and 9 employees across our production unit and during the past three years our workforce has been as under:

Particulars	June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Workmen	26	27	27	18
Employees	9	9	7	9
<b>Total</b>	<b>35</b>	<b>36</b>	<b>34</b>	<b>27</b>

We do not have any trade union registered under the Trade Unions Act, 1926. In the past three years, we have not experienced any labour dispute except the ongoing dispute with labour, details whereof have been disclosed in **“Outstanding Litigations and Material Developments”** on page 225. We do not have any formal policy for redressal of labour disputes. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. In the event of any prolonged delay or disruption of our business, results of operations and financial condition could be materially and adversely affected.

Our country has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

34. Our insurance coverage may not be sufficient or adequate to protect us against all damages, which may adversely affect our business, results of operations, financial condition and cash flows.

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. If our Company suffers a large uninsured loss or if an insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected. For further information on our insurance arrangements, please see **“Our Business – Insurance”** beginning on page 128.

35. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding in our Company.

Our Promoter and Directors may be deemed to be interested in addition to regular remuneration or benefits and reimbursement of expenses from our Company, and such interests are to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves. For the payments that are made by our Company to related parties including remuneration to our Directors, please see **“Summary of the Issue Document – Summary of Related Party Transactions”**, **“Our Management”** and **“Our Promoter and Promoter Group”** on page 19, 142 and 155 respectively. Additionally, our Promoters have provided personal guarantee for certain of our borrowings and our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company’s borrowings. For more information, please see **“Financial Indebtedness”** on page 205.

36. The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.

Our revenues from operations from outside India were ₹299.25 lakhs, ₹438.54 lakhs and ₹476.88 lakhs representing 48.56%, 82.42% and 93.59% respectively, of our total revenue from operations for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Our key overseas markets include USA, Sri Lanka Vietnam, China, Sri Lanka Bangladesh and Slovenia. Our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international marketsexposes us to a number of risks globally, including, without limitation:

- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;

- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- currency exchange rate fluctuations;
- difficulties in organizing a skilled workforce for efficient operations including processing visas or entry permits quickly and repeatedly for our personnel; and
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries.

Our exports may also be impacted by embargo imposed by the countries to which we export our products. To the extent that our operations are affected by unexpected and adverse economic, regulatory and social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

**37. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly.**

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees.

Our revenues from exports, cost of imported raw materials and foreign exchange gain/(loss) for the relevant periods was as below:

Particulars	As on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Revenue from Exports	0.00	0.00	299.25	48.56	438.54	82.42	476.88	93.59
Cost of raw materials imported	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Foreign Exchange Gain / (Loss)	0.00	0.00	0.38	0.06%	3.72	0.70%	6.50	1.28%

Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We face foreign exchange rate risk as certain portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition. These gains/losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. Our company currently does not engage in any kind of hedging contracts for exchange rate fluctuations, we may enter into the same in future which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, the hedges may not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates may adversely impact our profitability and financial condition. We cannot guarantee that we will not experience losses, on account of fluctuations in currencies going forward, and such losses may have an adverse effect on our business, results of operations and financial condition.

We face foreign exchange rate risk as certain portion of our revenues are denominated in a currency other than the Indian Rupee. Because of our foreign currency exposure, exchange rate fluctuations between the Indian Rupee and foreign currencies, can have a material impact on our results of operations, cash flows and financial condition.

**38. Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.**



We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in three months period ended June 2024, Fiscal 2024, Fiscal 2023, and Fiscal 2022, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

**39. There are certain discrepancies and non-compliances noticed in some of our financial reporting and/or records relating to the filing of returns and deposit of statutory dues with the taxation and other statutory authorities.**

In the past, our company has on very few instances, delayed in filing our GST & PF returns for which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company, in respect of above. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our Directors may be affected. the following are the reason for delays filing by the company with payment of late fees.

**Goods & Service Tax**

For the Financial Year Ended	Return Type	Return Filled	Number of Delayed Filings
FY-2021-22	GSTR – 3B	12	4
FY 2022-23	GSTR – 3B	12	0
FY 2023-24	GSTR – 3B	12	0
FY-2021-22	GSTR – 1	12	0
FY 2022-23	GSTR – 1	12	0
FY 2023-24	GSTR – 1	12	0
FY-2021-22	GSTR – 9	1	0
FY 2022-23	GSTR – 9	1	0
FY 2023-24	GSTR – 9	to be filed by December 31, 2024	NA
For period ended June 30, 2024	GSTR – 3B	3	0
	GSTR – 1	3	0
	GSTR – 9	-	-

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

**Employees Provident Fund**

*(₹ In lakhs)*

For the Financial Year	Total Amount Paid	Amount Paid within Due Date	Delayed Payment
FY-2021-22	1.19	1.19	0
FY 2022-23	0.98	0.975	0
FY 2023-24	4.07	4.07	0
For period ended June 30, 2024	1.48	1.48	0

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

## Employees State Insurance

(₹ In lakhs)

For the Financial Year	Total Amount Paid	Amount Paid within Due Date	Delayed Payment
FY-2021-22	0.93	0.93	0
FY 2022-23	1.52	1.52	0
FY 2023-24	1.81	1.81	0
For period ended June 30, 2024	0.43	0.43	0

\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate November 23, 2024

**40. Any adverse change in regulations governing our products and the products of our customers, may adversely impact our business, prospects and results of operations.**

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

**41. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.**

We have not declared dividend in the past. For further information, please see “*Dividend Policy*” on page 160. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy as may be adopted by our Board from time to time and will depend on factors that our Board deems relevant, including among others, our Company’s profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**42. Our Company has availed unsecured borrowings from our Promoters and Directors, which may be recalled by them at any time.**

As on June 30, 2024, we have availed unsecured borrowings from Mani Sajumohan (Promoter and Chairman and Managing Director) and Gangadhran Jyothi (Promoter and Whole-Time Director), to the tune of ₹12.00 Lakhs and ₹ 6.00 Lakhs, respectively. In the event that the lenders seek repayment/ redemption of such unsecured borrowings, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and therefore such recall may adversely affect our business, cash flows and financial condition. While we have not faced any such instances where unsecured borrowings were recalled/ redeemed by lenders in the three months ended June 30, 2024 and FYs 2023-24, 2022-23 and 2021-22, there is no assurance that this would not occur in the future. Further, as mutually agreed between the Company and the promoters/ directors (as mentioned above), no interest is payable for the said unsecured borrowings.

**43. There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds**

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for fresh size is above ₹100.00 Crores. Hence, we have not appointed a monitoring agency to monitor the utilization of Offer proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

Further, we propose to utilize the Net Proceeds for purposes identified in the “*Objects of the Issue*” and we propose to utilize the ₹88.22 lakhs of the Net Proceeds towards funding capital expenditure being, construction of an office building and ₹104.77 lakhs purchase of additional machineries at Unit-II and upto ₹506.25 lakhs of the Net Proceeds towards funding our working capital requirements. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act.

Our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Management and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full.

**44. *Industry information included in this Draft Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.***

This Draft Prospectus includes information on Industry in which we operate from various sources. For further details, please see “*Industry Overview*” on page 104. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Lead Manager as on the date of this Draft Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Further, this market and industry data has not been prepared or independently verified by us or the Lead Manager or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

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

We propose to utilize the Net Proceeds towards utilization for the construction of new Office Building, purchase of machineries, working capital requirement and General Corporate Purposes of our Company. For further details of the proposed objects of the Issue, see “*Objects of the Issue*” on page 77. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds

of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations

46. ***Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and may be subject to change based on various factors, some of which may be beyond our control. We have not entered into any definitive agreements to utilise certain portions of the Net Proceeds of the Issue.***

We intend to use the Net Proceeds for the purposes described in "***Objects of the Issue***" on page 77. As on the date of this Draft Prospectus, our funding requirements are based on management estimates, current circumstances of our business, the prevailing market condition, and other commercial and technical factors and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of financial condition, business strategy and external factors such as government policies, market conditions, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. While we will use the Net Proceeds for purposes such as part expansion of the manufacturing facility, Funding of working capital requirements of the Company in the manner specified in "***Objects of the Issue***" on page 77.

Our management estimates may exceed fair market value which may require us to reschedule or reallocate our expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

In accordance with sections 13(8) and 27 of the Companies Act, we cannot change the utilization of the Net Proceeds or the terms of any contract as disclosed in this Draft Prospectus without obtaining the Shareholders' approval through a special resolution. We may not be able to obtain the Shareholders' approval in a timely manner, or at all, in the event we need to make such changes. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, as required under Section 27 of the Companies Act, our Promoters would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. The requirement to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to any changes made to the proposed utilization of the Net Proceeds, even if such change is in our interest. Further, we cannot assure you that our Promoters will have adequate resources to provide an exit opportunity at the price prescribed by SEBI. For further details on exit opportunity to dissenting shareholders, please see "***Objects of the Issue***" on page 77. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by redeploying the unutilized portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business, financial condition, results of operations, cash flows and prospects.

47. ***After completion of the Issue, our Promoters and members of the Promoter Group have significant control over the Company and would have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

Currently, our Promoters and members of the Promoter Group hold the entire Equity Share capital of our Company and upon completion of this Offer, our Promoters and members of our Promoter Group will collectively hold [●] % of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

48. ***Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may***

***be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the then existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The Issue Price / Price of the Equity Shares will be determined by our Company and in consultation with the LM through the Fixed Price mechanism. This price will be based on numerous factors, as described under "***Basis for Issue Price***" on page 91 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**50. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Issue as has been stated in "***Objects of the Issue***" on page 77. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**51. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until allotment of equity shares pursuant to this Issue.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**52. *We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the "Objects of the Issue".***

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details see "***Object for the Issue***" on page 77.

**53. *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares’ circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

**54. *Except for T. Vinanya Kumar none of our Directors have any prior experience of being a director in any other listed company in India.***

Our current Board comprises of seven directors which includes Chairman and Managing Director, four non- executive independent directors, one non-executive Director and one executive director. We are not a publicly listed company and have not historically been subject to increased scrutiny by shareholders, regulators and the public at large that is associated with being a listed company. Except for T. Vinaya Kumar, Non-Executive Independent Director of our Company is also the Independent Director on the Board of Kings Infra Limited, none of our board of directors have any prior experience of being a director in any other listed company in India. While our Board members are qualified and have relevant experience in their respective field, not having any prior experience as being a director in any other listed company in India may present some potential challenges to our Company in effectively meeting with good corporate governance norms and practices. Additionally, having lack of such experience amongst the board of directors may impact our Company's credibility and reputation among the investors and other stakeholders. For further details, please see “*Our Management-Brief Biographies of our Director*” on page 144.

**55. *The average cost of acquisition of Equity Shares for our Promoters may be lower than the Issue Price.***

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

<b>Name</b>	<b>Number of Shares (Face value of ₹ 10)</b>	<b>Average Cost of Acquisition per Equity Share (in ₹) *</b>
Mani Sajumohan	11,97,790	0.93
Gangadharan Jyothi	11,97,780	0.78
Biju Uthuppu	9,83,430	62.10

\* As certified by our Statutory Auditor M/s SGS & Company, Chartered Accountants by way of their certificate dated November 23, 2024.

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters and build-up of Equity Shares by our Promoters in our Company, please see “*Summary of the Issue Document – Average cost of acquisition*” on page 21.

**56. *In the twelve months prior to the date of filing this Draft Prospectus, the Company had Offered Equity Shares at a price, which may be lower than the Issue Price.***

In the twelve months prior to the date of filing of this Draft Prospectus, the Company has allotted 36,00,000 Equity Shares on July 26, 2024 as bonus shares to its existing shareholders. For further details on the issuance of Bonus shares, please see “*Capital Structure-Equity Share capital history of our Company- Equity shares issued in the preceding one year below the Issue Price* ” on page 68

**EXTERNAL RISK FACTORS**

**57. *Changing laws, rules and regulations in India and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

The governmental and regulatory bodies may notify new regulations and/or policies, which may require us to requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, results of operations and financial condition In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.

The Government of India has notified four labour codes which are yet to completely come into force as on the date of this Draft Prospectus, namely, (i) The Code on Wages, 2019, (ii) The Industrial Relations Code, 2020, (iii) The

Code on Social Security, 2020 and (iv) The Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. There can be no assurance that the Government of India will not implement new regulations and policies requiring us to obtain approvals and licenses from the Government of India or other regulatory bodies or impose onerous requirements and conditions on our operations. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and financial condition.

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

**58. *The occurrence of natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect the financial markets and our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war such as Russia's invasion of Ukraine, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

**59. *A downgrade in ratings of India and other jurisdictions in which we operate may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Further, a downgrading of India's credit ratings may occur, for example, upon change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**60. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**61. *A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”); an ‘acquirer’ has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors / shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of the Takeover Regulations.

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

Our Company is incorporated under the laws of India as a company limited by shares. As on the date of this Draft Prospectus, the majority of our Directors and Key Managerial Personnel are residents of India. A substantial portion of our Company’s assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 of the Code of Civil Procedure, 1908 (“CPC”), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties but does not include an arbitration award, even if such an award is enforceable as a decree or judgment. The United Kingdom, United Arab Emirates, Singapore and Hong Kong, among others, have been declared by the GoI to be reciprocating territories for the purposes of section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three (3) years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered, and we cannot assure you that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Further, any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency is required to be converted into Rupees on the date the award becomes enforceable and not on the date of payment.

**63. *A slowdown in economic growth in India could adversely affect our business.***



The structure of the Indian economy has undergone considerable changes in the last decade. These include increasing importance of external trade and of external capital flows. Any slowdown in the growth of the Indian economy or any future volatility in global commodity prices could adversely affect our business, financial condition and results of operations. India's economy could be adversely affected by a general rise in interest rates, fluctuations in currency exchange rates, adverse conditions affecting housing and tourism and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China or Asian emerging market countries, may have an impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets, and could have an adverse effect on our business, financial condition and results of operations and the price of the Equity Shares.

**64. *The trading volume and market price of our Equity Shares may be volatile post the Issue.***

The market price of the Equity Shares may fluctuate as a result of the following factors, some of which are beyond our control:

- (i) General economic and stock market conditions;
- (ii) Quarterly variations in our results of operations;
- (iii) Changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- (iv) Announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- (v) Announcements by third parties or governmental entities of significant claims or proceedings against us;
- (vi) New laws and governmental regulations applicable to our industry;
- (vii) Additions or departures of key management personnel;
- (viii) Changes in exchange rates;
- (ix) Public's reaction to our press releases, other public announcements and filings with the regulator;
- (x) Any additional investment or sale of investment by significant shareholders(s);
- (xi) Fluctuations in stock market prices and volume.

Changes as regards any of the factors above could adversely affect the price of our Equity Shares.

**65. *Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within three Working Days from the Bid/ Issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**66. *Future sales of Equity Shares by our Promoters and promoter group may adversely affect the market price of our Equity Shares.***

After the completion of the Issue, our Promoters and promoter group will own, directly and indirectly, approximately [●] % of our outstanding Equity Shares. Sales of a large number of the Equity Shares by our Promoters and/or significant shareholders could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 66, no assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**67. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters, members of our Promoter Group and other significant shareholders may adversely affect the trading price of the Equity Shares.**

We may be required to finance our growth (whether organic or inorganic) through future equity offerings. Any future issuance of Equity Shares, convertible securities or securities linked to the Equity Shares by us, may lead to a dilution of your shareholding in our Company. Any future equity issuances by us (including under any employee benefit scheme) or disposal of our Equity Shares by our Promoters, members of our Promoter Group or any of our other principal shareholders or any other change in our shareholding structure or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our equity shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that our existing shareholders including our Promoter and members of our Promoter Group will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholders' investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**68. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.**

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within three (3) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. However, SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue within three (3) working days, in accordance with the timeline provided under the aforementioned circular. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

**69. Significant differences exist between Ind AS and other accounting principles, such as U.S GAAP and IFRS, which investors may consider material to their assessment of our financial condition.**

Our Restated Financial Statements for three months period ended June 2024, FY 2024, 2023 and 2022, have been prepared and presented in conformity with Ind GAAP. Ind GAAP differs in certain significant respects from IND AS, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should be limited accordingly.

**70. Rights of shareholders of our Company under Indian law may be more limited than under the laws of other jurisdictions.**

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

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

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied both at the time of transfer and

acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹ 1 lakh arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018, continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 1 lakh. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operation.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

**72. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI, from time to time. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("DPIIT"), as consolidated in the FDI Policy with effect from October 15, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Any such approval(s) would be subject to the discretion of the regulatory authorities. This may cause uncertainty and delays in our future investment plans and initiatives.

We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. For further details, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 280.

Moreover, the exchange control regulations we are subject to constrain our ability to remit dividends to our Shareholders. There is no assurance that your dividends will not subject to any delay or deduction. In addition, the exchange control regulations we are subject to could affect the availability of cash and cash equivalents for use by our Company, which may adversely affect our business, results of operations, financial condition and cash flows.

**73. *The determination of the Price is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The determination of the Price is based on various factors and assumptions and will be determined by our Company, in consultation with the LM. Furthermore, the Issue Price of the Equity Shares will be determined by our Company in consultation with the LM, through the fixed price mechanism. These will be based on numerous factors, including factors as described under “**Basis for the Issue Price**” on page 91 and may not be indicative of the market price for the Equity Shares after the Issue. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

## SECTION – III INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

PARTICULARS	DETAILS OF EQUITY SHARES
<b>Issue of Equity Shares by our Company</b>	Up to 17,20,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹62/- per Equity Share (including a securities premium of ₹52/- per Equity Share) aggregating up to ₹1,066.40 lakhs.
<b>Consisting of</b>	
<b>Market Maker Reservation Portion</b>	Up to 88,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 62/- per Equity Share aggregating up to ₹54.56 lakhs
<b>Net Issue to The Public*</b>	Up to 16,32,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹62 /- per Equity Share (including a securities premium of ₹52/- per Equity Share) aggregating to ₹1,011.84 lakhs
<b>of which</b>	
<b>(A) Retail Portion</b>	Up to 8,16,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹62/- per Equity Share (including a securities premium of ₹52/- per Equity Share) aggregating to ₹505.92 lakhs i.e., 50% of the Net Issue shall be available for allocation to Retail Individual Investors
<b>(B) Other than Retail Individual Investor</b>	Up to 8,16,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹62/- per Equity Share (including a securities premium of ₹52/- per Equity Share) aggregating to ₹505.92 lakhs i.e., 50% of the Net Issue shall be available for allocation to Investors other than Retail Individual Investors.
<b>Pre and Post Issue Equity Shares</b>	
<b>Equity shares outstanding prior to the Issue</b>	40,00,000 Equity Shares of face value of ₹10.00/- each
<b>Equity shares outstanding after the Issue</b>	Up to 57,20,000 Equity Shares of face value of ₹10.00/- each
<b>Use of Issue Proceeds</b>	For details, see “ <i>Objects of the Issue</i> ” on page 77.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 8, 2024 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on August 22, 2024 pursuant to section 62(1)(c) of the Companies Act, 2013.

This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended from time to time. For further details, please see “*Issue Structure*” on page 250.

\*As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

1. Minimum fifty percent to retail individual investor; and
2. remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category.

If the retail individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 161, and 207 respectively.

*[The Remainder of this Page has intentionally been left blank]*

Max Supreme Textiles Limited

CIN: U17299KL2021PLC066902

Annexure I - Restated Statement of Assets and Liabilities

(Amounts in INR Lakh, unless otherwise stated)

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	40.00	40.00	40.00	40.00
(b) Reserves and Surplus	3	517.75	497.31	329.03	138.56
<b>Total</b>		557.75	537.31	369.03	178.56
<b>(2) Non-Current Liabilities</b>					
(a) Long-term Borrowings	4	425.53	404.72	122.49	83.29
(b) Other Long-term Liabilities	5	-	-	-	-
(c) Long-term Provisions	6	5.57	5.61	3.61	1.39
<b>Total</b>		431.10	410.33	126.10	84.69
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	7	160.35	151.94	138.42	14.57
(b) Trade Payables	8				
- Due to Micro and Small Enterprises		13.52	2.39	2.83	1.51
- Due to Others		0.08	0.08	-	-
(c) Other Current Liabilities	9	81.84	76.15	40.01	125.45
(d) Short-term Provisions	10	0.61	0.63	0.64	0.41
<b>Total</b>		256.39	231.20	181.91	141.94
<b>Total Equity and Liabilities</b>		1,245.24	1,178.84	677.04	405.19
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	11.1	823.45	801.21	368.81	254.97
(ii) Intangible Assets	11.2	0.12	0.15	-	-
(b) Deferred Tax Assets (net)	12	8.72	8.54	4.59	1.93
(c) Long-term Loans & Advances	13	-	-	-	-
(d) Other Non-Current Assets	14	56.72	53.64	39.48	5.97
<b>Total</b>		889.02	863.53	412.88	262.87
<b>(2) Current Assets</b>					
(a) Inventories	15	89.12	39.76	35.79	30.47
(b) Trade Receivables	16	153.80	168.55	86.18	13.89
(c) Cash and Cash Equivalents	17	4.52	2.27	72.42	44.91
(d) Short-term Loans and Advances	18	106.72	102.87	69.50	52.86
(e) Other Current Assets	19	2.07	1.86	0.26	0.18
<b>Total</b>		356.22	315.30	264.16	142.31
<b>Total Assets</b>		1,245.24	1,178.84	677.04	405.19

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For SGS & Company Chartered Accountants

For and on behalf of the Board of Directors

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CA Geo Job  
(Partner)  
Membership No.210057  
Firm Registration No.0098895  
UDIN:24210057BKABVM6245

Gangadharan Jyothi  
Whole time Director  
DIN 09021765

Mani Sajumohan  
Chairman & Managing Director  
DIN 09028262

Place: Thrissur  
Date: 18.11.2024

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Kappuriparambil Gopalan Hareesh  
Company Secretary  
ACS No.67584

Velayudhan Sreejith  
Chief Financial Officer  
PAN:AUKPV3108N

**Max Supreme Textiles Limited**  
**CIN: U17299KL2021PLC066902**  
**Annexure II - Restated Statement of Profit and Loss**  
**(Amounts in INR Lakh, unless otherwise stated)**

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Revenue From Operations	20	133.80	616.21	532.06	509.52
Other Income	21	3.52	3.66	12.87	13.84
<b>Total Income</b>		<b>137.31</b>	<b>619.87</b>	<b>544.93</b>	<b>523.36</b>
<b>Expenses</b>					
Cost of Raw Materials Consumed	22	118.52	245.35	99.04	106.23
Changes In Inventories of Work In Progress, Finished Goods	23	(51.10)	(8.24)	5.83	(16.49)
Employee Benefit Expenses	24	17.11	67.88	75.85	91.11
Finance Costs	25	3.72	13.56	15.20	7.98
Depreciation and Amortization Expenses	26	9.84	52.46	55.35	34.71
Other Expenses	27	14.39	46.96	57.53	131.99
<b>Total Expenses</b>		<b>112.47</b>	<b>417.97</b>	<b>308.80</b>	<b>355.54</b>
<b>Restated Profit/(Loss) Before Exceptional and Extraordinary Item and Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Exceptional Item					
<b>Restated Profit/(Loss) Before Extraordinary Item and Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Extraordinary Item					
<b>Restated Profit/(Loss) Before Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Tax Expenses	28				
- Current Tax		4.58	37.58	48.32	31.03
- Deferred Tax		(0.19)	(3.95)	(2.66)	(1.93)
- Short /(Excess) Provision For Income Tax Of Earlier year			-	-	-
<b>Total Tax Expense</b>		<b>4.40</b>	<b>33.63</b>	<b>45.67</b>	<b>29.10</b>
<b>Restated Profit/(Loss) After Tax</b>		<b>20.44</b>	<b>168.28</b>	<b>190.47</b>	<b>138.72</b>
Restated Earnings Per Share (Face Value Per Share Rs.10 each)					
-Basic	29	5.11	42.07	47.62	43.62
-Diluted	29	5.11	42.07	47.62	43.62

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

**For SGS & Company Chartered Accountants**

**For and on behalf of the Board of Directors**

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**CA Geo Job**  
**(Partner)**  
**Membership No.210057**  
**Firm Registration No.009889S**  
**UDIN:24210057BKABVM6245**

**Gangadharan Jyothi**  
**Whole time Director**  
**DIN 09021765**

**Mani Sajumohan**  
**Chairman & Managing Director**  
**DIN 09028262**

**Place: Thrissur**  
**Date: 18.11.2024**

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**Kappuripambal Gopalan Hareesh**  
**Company Secretary**  
**ACS No.67584**

**Velayudhan Sreejith**  
**Chief Financial Officer**  
**PAN:AUKPV3108N**



**Max Supreme Textiles Limited**  
**CIN: U17299KL2021PLC066902**  
**Annexure III - Restated Statement of Cash Flows**  
**(Amounts in INR Lakh, unless otherwise stated)**

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit After Tax		20.44	168.28	190.47	138.72
Depreciation and Amortisation Expense		9.84	52.46	55.35	34.71
Provision For Tax		4.40	33.63	45.67	29.10
Loss/(Gain) On Sale / Discard Of Assets (Net)		-	-	-	(0.29)
Interest Expense (Interest Income)		(0.23)	(1.95)	(4.93)	(13.54)
Finance Costs		1.95	9.97	11.49	7.98
<b>Operating Profit Before Working Capital Changes</b>		<b>36.40</b>	<b>262.38</b>	<b>298.05</b>	<b>196.67</b>
Adjustment For:					
Inventories		(49.36)	(3.97)	(5.32)	(30.47)
Trade Receivables		14.75	(82.36)	(72.29)	8.75
Loans and Advances & Other Assets		(7.14)	(49.13)	(50.23)	(58.74)
Trade Payables		11.13	(0.36)	1.32	0.68
Other Liabilities		5.68	36.15	(85.44)	125.45
Other Provisions		(0.07)	1.99	2.45	1.72
Cash Generated From Operations		11.39	164.69	88.54	244.06
Tax Paid(Net)		(4.58)	(37.58)	(48.32)	(31.03)
<b>Net Cash From Operating Activities</b>		<b>6.81</b>	<b>127.12</b>	<b>40.22</b>	<b>213.03</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		(32.06)	(485.00)	(169.19)	(287.18)
Sale of Property, Plant and Equipment		-	-	-	3.62
Purchase Of Intangible Assets		-	-	-	-
Proceeds For Capital Work-in-progress		-	-	-	-
Bank Balances Not Considered As Cash and Cash Equivalents		-	-	-	-
Interest received		0.23	1.95	4.93	13.54
<b>Net Cash (Used in) Investing Activities</b>		<b>(31.83)</b>	<b>(483.05)</b>	<b>(164.27)</b>	<b>(270.01)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds From Issue Of Share Capital		-	-	-	34.00
Proceeds From Long Term Borrowings		-	301.77	103.05	97.86
Repayment Of Long Term Borrowings		(3.70)	-	-	-
Proceeds From Short Term Borrowings		32.92	53.98	60.00	-
Repayment Of Short Term Borrowings		-	(60.00)	-	(23.75)
Interest and Other Borrowing Cost		(1.95)	(9.97)	(11.49)	(7.98)
<b>Net Cash (Used in) / Generated From Financing Activities</b>		<b>27.27</b>	<b>285.78</b>	<b>151.56</b>	<b>100.13</b>
<b>Net (Decrease) In Cash and Cash Equivalents</b>		<b>2.25</b>	<b>(70.15)</b>	<b>27.51</b>	<b>43.15</b>
Opening Balance of Cash and Cash Equivalents		2.27	72.42	44.91	1.76
<b>Closing Balance of Cash and Cash Equivalents</b>	17	<b>4.52</b>	<b>2.27</b>	<b>72.42</b>	<b>44.91</b>

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Cash Flows referred to in our report of even date.

**For SGS & Company Chartered Accountants**

**For and on behalf of the Board of Directors**

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**CA Geo Job**  
**(Partner)**  
**Membership No.210057**  
**Firm Registration No.0098895**  
**UDIN:24210057BKABVM6245**

**Gangadharan Jyothi**  
**Whole time Director**  
**DIN 09021765**

**Mani Sajumohan**  
**Chairman & Managing Director**  
**DIN 09028262**

**Place: Thrissur**  
**Date: 18.11.2024**

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**Kappuripambil Gopalan Hareesh**  
**Company Secretary**  
**ACS No.67584**

**Velayudhan Sreejith**  
**Chief Financial Officer**  
**PAN:AUKPV3108N**

## GENERAL INFORMATION

Our Company was originally incorporated on January 13, 2021, as a private company in the name and style of “**Max Supreme Textiles Private Limited**” under the provisions of the Companies Act, 2013 vide certificate of incorporation dated January 14, 2021, issued by the Deputy Registrar of Companies, Central Registration Centre on behalf of jurisdictional RoC. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on January 09, 2024, and consequently, the name of our Company was changed to “**Max Supreme Textiles Limited**”, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated February 28, 2024, was issued by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre.

For further details, please see “**History and Certain Corporate Matters**” on page 139.

### Registered Office of our Company

10/1051, Ayyappanpara,

Thevarmani Chathamangalam,

PO Nemmara, Chathamangalam,

Palakkad, Chittur, Kerala, India, 678508

Tel No: +91 04923 291956

Email: [info@maxsupremetextiles.com](mailto:info@maxsupremetextiles.com)

Website: [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com)

### Corporate Identity Number and Registration Number

**Corporate Identification Number:** U17299KL2021PLC066902

**Registration Number:** 066902

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Ernakulam, Kerala located at the following address:

Corporate Bhawan,

BMC Road, Thrikkakara

Kochi - 682021, Kerala

## BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table: -

Name	DIN	Designation	Address
Mani Sajumohan	09028262	Chairman & Managing Director	10/389 Jyothis Thervarmani Chathamangalam Nammara Palakkad Kerala 678508
Gangadharan Jyothi	09021765	Whole-time Director	10/389 Jyothis Thervarmani Chathamangalam Nammara Palakkad Kerala 678508
Biju Uthuppu	09592327	Non-Executive Director	Koodarathil House Pezumpara Chathamangalam Nammara Palakkad Kerala 678508
Alok Thomas Paul	07434060	Non-Executive Independent Director	Kadambelil House Near Bye Pass Junction Mannuthy PO Madakkathara Thrissur, Madakkathara Kerala 680651
Rajit Rajan	10540141	Non-Executive Independent Director	Arippara House Thiruvazhiyad PO Thiruvazhiyad Chittur Palakkad Kerala 678510
Koppath Babu Sajith	10512520	Non-Executive Independent Director	Koppathu House, Illamkavu Kizhakknecheri-I Kilakkancheri Palakkad Kerala 678684
T. Vinaya Kumar	00044594	Non-Executive Independent Director	33/335 Vellatt G H S Road, Vennala P. O. Vennala S. O. Ernakulam Kerala 682028

**Chief Financial Officer****Sreejith V**

10/1051, Ayyappanpara,  
Thevarmani Chathamangalam  
PO Nemmara, Chathamangalam,  
Palakkad, Chittur, Kerala, India, 678508  
**Tel No:** +91 04923 291956  
**Email:** [cfo@maxsupremetextiles.com](mailto:cfo@maxsupremetextiles.com)  
**Website:** [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com)

**COMPANY SECRETARY & COMPLIANCE OFFICER****Hareesh K G**

10/1051, Ayyappanpara,  
Thevarmani Chathamangalam  
PO Nemmara, Chathamangalam,  
Palakkad, Chittur, Kerala, India, 678508  
**Tel No:** +91 04923 291956  
**Email:** [cs@maxsupremetextiles.com](mailto:cs@maxsupremetextiles.com)  
**Website:** [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com)

**INVESTOR GRIEVANCES**

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

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant and ASBA Account number (for Applicants other than Retail Investors using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of Retail Investor using the UPI Mechanism.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicants whose application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and EBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 SCSBs are required to compensate the

investor immediately on the receipt of complaint.

**Details of Key Intermediaries pertaining to this Issue and our Company:**

**LEAD MANAGER TO THE ISSUE**

**Fedex Securities Private Limited**

B 7, 3<sup>rd</sup> Floor, Jay Chambers,

Dayaldas Road, Vile Parle – (East),

Mumbai – 400 057, Maharashtra, India

**Tel No:** +91 8104985249

**Contact Person:** Saipan Sanghvi/Prashant Patankar

**Email Id:** [mb@fedsec.in](mailto:mb@fedsec.in)

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

**Investor Grievance Email:** [mb@fedsec.in](mailto:mb@fedsec.in)

**SEBI Registration Number:** INM000010163

**STATEMENT OF RESPONSIBILITIES OF THE LEAD MANAGER**

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

**REGISTRAR TO THE ISSUE**

**KFin Technologies Limited**

Selenium Tower – B, Plot 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Serilingampally, Hyderabad – 500 032, Telangana, India

**Tel No:** +91 4067162222

**Fax No:** 022-6263 8299

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

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

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

**Contact Person:** M Murali Krishna.

**SEBI Registration No:** INR000000221

**LEGAL ADVISOR TO THE ISSUE<sup>#</sup>**

**Vidhigya Associates, Advocates**

501, 5<sup>th</sup> Floor, Jeevan Sahakar Building

Sir P M Road, Homji Street

Fort, Mumbai - 400 001

**Tel. No:** +91 8424030160

**Email:** [rahul@vidhigyaassociates.com](mailto:rahul@vidhigyaassociates.com)

**Contact Person:** Rahul Pandey

*#Legal Advisor to the Issue to the extent of Legal section*

## **BANKERS TO THE COMPANY**

### **ICICI Bank Limited**

**Address:** M NV tower Main Road, Nemmara Palakkad, Kerala 678508

**E-mail:** [harshachandraraj.r@icicibank.com](mailto:harshachandraraj.r@icicibank.com)

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

**Contact Person:** Harshachandraraj K R

**Tel:** (+91-4923) 244961

### **STATE BANK OF INDIA**

**Address:** First Floor,Lakshmi Complex,

Opp. Nemmara Bus Stand

Nemmara, Palakkad, 678508

**E-mail:** [sbi.70182@sbi.co.in](mailto:sbi.70182@sbi.co.in)

**Website:** [www.bank.sbi](http://www.bank.sbi)

**Contact Person:** P Syam Sunder

**Tel:** 04923-244228

### **SOUTH INDIAN BANK**

**Address:** Achus Complex Nemmara,Vallanghy, Nemmara

Palakkad Kerala,678508

**E-mail:** [br0056@sib.co.in](mailto:br0056@sib.co.in)

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

**Contact Person:** Amaljith A

**Tel:** 04923-244251

## **BANKER / SPONSOR BANK / REFUND BANK TO THE ISSUE**

The Banker / Sponsor Bank / Refund Bank to the Issue shall be appointed prior to filing of the Prospectus.

## **STATUTORY AUDITOR TO OUR COMPANY:**

### **M/s SGS & Company**

Chartered Accountants

X/657/B, Pallikkulam Road,

Near Chaldean Centre,

Thrissur, Kerala 680001 India

**Tel:** 0487-2446109/2425420

**Email:** [mail@sgsandcompany.com](mailto:mail@sgsandcompany.com)

**Contact Person:** Geo Job

**Firm Registration:** 009889S

**Membership Number:** 210057

**Peer Review Registration Number:** 013176

#### CHANGE IN THE STATUTORY AUDITOR

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

Particulars	Date of Change	Reason for Change
<b>M/s SGS &amp; Company,</b> Chartered Accountants X/657/B, Pallikkulam Road, Near Chaldean Centre, Thrissur, Kerala 680001 India <b>Tel:</b> 0487-2446109/2425420 <b>Email:</b> <a href="mailto:mail@sgsandcompany.com">mail@sgsandcompany.com</a> <b>Contact Person:</b> Geo Job <b>Firm Registration:</b> 009889S <b>Membership Number:</b> 210057 <b>Peer Review Registration Number:</b> 013176	August 22, 2024	Appointment for 5 Years
<b>M/s SGS &amp; Company,</b> Chartered Accountants X/657/B, Pallikkulam Road, Near Chaldean Centre, Thrissur, Kerala 680001 India <b>Tel:</b> 0487-2446109/2425420 <b>Email:</b> <a href="mailto:mail@sgsandcompany.com">mail@sgsandcompany.com</a> <b>Contact Person:</b> Geo Job <b>Firm Registration:</b> 009889S <b>Membership Number:</b> 210057 <b>Peer Review Registration Number:</b> 013176	January 09, 2024	To fill casual vacancy
<b>SESHADRI NADAN C</b> City Lights Shopping Complex, Vadakkencherry, Palakkad Kerala- 678683. <b>Tel.:</b> +91 92497 17557 <b>Email:</b> <a href="mailto:seshadri.itax@rediffmail.com">seshadri.itax@rediffmail.com</a> <b>Peer Review Number:</b> NA <b>Membership Number:</b> 027440	December 20, 2023	In view of the proposed conversion of the company into a Public limited Company and listing with SME Exchange, the company would require substantial attention and assistance in meeting listing regulations and allied requirements.
<b>SESHADRI NADAN C</b> City Lights Shopping Complex, Vadakkencherry, Palakkad Kerala- 678683. <b>Tel.:</b> +91 92497 17557 <b>Email:</b> <a href="mailto:seshadri.itax@rediffmail.com">seshadri.itax@rediffmail.com</a> <b>Peer Review Number:</b> NA <b>Membership Number:</b> 027440	December 31, 2021	Appointment as the Auditor for term of 5 years

#### SYNDICATE MEMBER(S)

As on the date of this Draft Prospectus, there are no syndicate members

#### BANKERS TO THE ISSUE/REFUND BANK /SPONSOR BANK

[•]

#### DESIGNATED INTERMEDIARIES

#### SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time.

#### **INVESTORS BANKS OR ISSUER BANK FOR UPI**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43)) respectively, as updated from time to time.

#### **SYNDICATE SCSB BRANCHES**

In relation to applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

#### **REGISTERED BROKERS**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

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

#### **IPO GRADING**

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

#### **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

#### **DEBENTURE TRUSTEES**

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

#### **MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue

## APPRAISING ENTITY

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

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, M/s. SGS & Company Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated November 18, 2024 and Report on Statement of Tax Benefits dated November 23, 2024 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent dated November 22, 2024, from S Mohanan, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the Independent Chartered Engineer, and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## GREEN SHOE OPTION

No Green Shoe Option is contemplated under this Issue.

## FILING OF THE DRAFT PROSPECTUS / PROSPECTUS

A soft copy of this Draft Prospectus has been and a soft copy of the Prospectus will be filed with SME Platform of BSE Limited (“BSE SME”). The Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

## FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES:

A copy of the Draft Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies, Ernakulam and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies, Ernakulam through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do> and <https://www.mca.gov.in/content/mca/global/en/foportal/fologin.html>.

## TYPE OF ISSUE

The present issue is considered to be a 100% Fixed Price Issue.

## UNDERWRITERS

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●], 2024 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite the following number of specified securities being issued through this Issue.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares of ₹ 10 each to be Underwritten	Amount Underwritten (₹ in lakhs)	% of the total Issue size Underwritten
Name: [●] Address: [●] Tel No: [●] Contact Person: [●] Email Id: [●] Website: [●] Investor Grievance Email: [●] SEBI Registration Number: [●]	[●]*	[●]	[●]
<b>TOTAL</b>	[●]	[●]	[●]



*(The Underwriter Agreement has not been executed as on the date of this Draft Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

#### **DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager has entered into Market Making Agreement dated [●], 2024 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[●]
<b>Address</b>	[●]
<b>Tel no.</b>	[●]
<b>Fax no.</b>	[●]
<b>Email id</b>	[●]
<b>Website</b>	[●]
<b>Investor Grievance Id</b>	[●]
<b>Contact person</b>	[●]
<b>SEBI Registration no.</b>	[●]
<b>Market Making Registration No.</b>	[●]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

[●], registered with [●] will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by BSE Limited and SEBI regarding this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the market maker spread requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ [●]. However, the investors with holdings of value less than ₹ [●] shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 62 per share the minimum bid lot size is 2,000 Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, maybe revised by of BSE Limited and SEBI from time to time.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide 2-way quote if the Shares of market maker in our Company reaches to upper limit. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to lower Limit the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, Stock Exchange may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
7. There would not be more than five Market Maker for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Maker may compete with other Market Maker for better quotes to the

investors. At this stage, [●] is acting as the sole Market Maker

8. On the first day of the listing, there will be pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on SME Platform of the BSE Limited
9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on SME Platform of the BSE Limited. and market maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars.
10. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The following spread will be applicable on the SME Platform of the BSE Limited.

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

11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
12. The Market Maker shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
13. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
14. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
15. Risk containment measures and monitoring for Market Makers: [●] will have all margins, which are applicable on the [●] Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. [●] can impose any other margins as deemed necessary from time-to- time.
16. Punitive Action in case of default by Market Maker: The SME platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
17. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines

/suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

18. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/Stock Exchange from time to time.
19. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to 20 Crore	25%	24%
20 to 50 Crore	20%	19%
50 to 80 Crore	15%	14%
Above 80 Crore	12%	11%

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

#### **WITHDRAWAL OF THE ISSUE**

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

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the Final Listing and Trading Approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the RoC approval of the Prospectus.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

*Amount (₹ in lakhs, except share data)*

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price*
<b>A.</b>	<b>AUTHORISED EQUITY SHARE CAPITAL</b>		
	80,00,000 Equity Shares of face value of ₹10/- each	800.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	40,00,000 Equity Shares of face value of ₹10/- each	400.00	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
	Issue of up to 17,20,000 Equity Shares of ₹10/- each for cash at price of ₹ 62 per Equity Share	172.00	Up to 1,066.40
	<b>Which comprises:</b>		
	Reservation for Market Maker up to 88,000 Equity Shares of ₹10/- each for cash at a price of ₹62 will be available for allocation to Market Maker	8.80	Up to 54.56
	Net Issue to the Public of up to 16,32,000 Equity Shares of ₹10/- each for cash at a price of ₹62 per Equity Share.	163.20	Up to 1,011.84
	<b>Of which<sup>(1)</sup>:</b>		
	Up to 8,16,000 Equity Shares of face value of ₹10/- each for a cash price of ₹62 per Equity Share, i.e. 50% of the Net Issue shall be available for allocation to Retail Individual Investors.	81.60	Up to 505.92
	Up to 8,16,000 Equity Shares of face value of ₹10/- each fully paid up for a cash price of ₹62 per Equity Share, i.e. 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors.	81.60	Up to 505.92
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE*</b>		
	Up to 57,20,000 Equity Shares of face value of ₹10/- each	572.00*	
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	Nil	
	After the Issue*	Up to 894.40	

(1) The present Issue has been authorized pursuant to a resolution of our Board of Directors dated August 8, 2024, and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members held on August 22, 2024.

(2) Assuming full subscription for and Allotment of the Equity Shares

\*As certified by our Statutory Auditors, M/s. SGS and Company, Chartered Accountants vide their certificate dated November 23, 2024.

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

### Notes to the Capital Structure

#### 1) Share Capital History of our Company

##### 1. Changes in the Authorised share capital of our Company

The initial Authorised share capital of our Company was ₹10,00,000 consisting of 1,00,000 Equity Shares of ₹10 each. Further, the Authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change in the Authorised Share Capital	Date of General Meeting
The Authorised Share Capital of our Company is ₹10,00,000/- consisting of 1,00,000 Equity Shares of face value of ₹10 /- each.	Upon Incorporation
Increase of Authorised Share Capital from ₹10,00,000/- consisting of 1,00,000 Equity Shares of face value of ₹10/- each to ₹40,00,000/- consisting of 4,00,000 equity shares of ₹10 each.	June 16, 2021

Particulars of Change in the Authorised Share Capital	Date of General Meeting
Increase of Authorised Share Capital from ₹40,00,000/- consisting of 4,00,000 Equity Shares of face value of ₹ 10/- each to ₹8,00,00,000/- consisting of 80,00,000 equity shares of ₹10 each.	July 22, 2024

## 2. Equity Share capital history of our Company

The history of the Equity Share capital of our Company is set forth in the table below:

Date of Allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
On Incorporation	60,000	10	N.A.	Cash	Subscription to MOA <sup>(i)</sup>	60,000	6,00,000
June 28, 2021	3,40,000	10	10	Cash	Right Issue <sup>(ii)</sup>	4,00,000	40,00,000
July 26, 2024	36,00,000	10	Nil	Other than Cash	Bonus Issue <sup>(iii)</sup>	40,00,000	4,00,00,000

(i) Initial Subscribers to the MOA subscribed to 60,000 Equity Shares of face value of ₹10 each, details of which are given below:

Sr. No.	Name of allottees	No. of Equity Shares (of ₹10/- each)
1.	Gangadharan Jyothi	30,000
2.	Mani Sajumohan	10,000
3.	Pooja Mohan	10,000
4.	Reshma Mohan	10,000
<b>Total</b>		<b>60,000</b>

(ii) Right Issue as on June 28, 2021 of 3,40,000 Equity Shares of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name of allottees	No. of Equity Shares (of ₹10/- each)
1.	Pooja Mohan	1,75,000
2.	Gangadharan Jyothi	87,500
3.	Mani Sajumohan	77,500
<b>Total</b>		<b>3,40,000</b>

(iii) Bonus Issue in the ratio of 9:1 as on July 26, 2024 of 36,00,000 Equity Shares of face value of ₹10 each fully paid-up, details of which are given below:

Sr. No.	Name of allottees	No. of Equity Shares (of ₹10/- each)
1.	Mani Sajumohan	10,78,011
2.	Gangadharan Jyothi	10,78,002
3.	Biju Uthuppu	8,85,087
4.	Kurian Koodarathil Uthupp	3,24,000
5.	Pooja Mohan	1,44,000
6.	Nupoor Sinha	90,000
7.	Reshma Mohan	900
<b>Total</b>		<b>36,00,000</b>

## 2) Issue of Equity Shares for consideration other than cash or out of revaluation reserves

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Equity Shares Allotted	Benefits Accrued
July 26,	36,00,000	10	Nil	Bonus	Mani Sajumohan	10,78,011	Capitalization of

Date of Allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Equity Shares Allotted	Benefits Accrued
2024				Issue (9:1)	Gangadharan Jyothi	10,78,002	Reserve & Surplus
					Biju Uthuppu	8,85,087	
					Kurian Koodarathil Uthuppu	3,24,000	
					Pooja Mohan	1,44,000	
					Nupoor Sinha	90,000	
					Reshma Mohan	900	

**3) Equity shares issued in the preceding one year below the Issue Price**

Except the bonus issue as detailed herein below, our Company has not issued Equity Shares for price below the Issue Price:

Date of Allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Equity Shares Allotted
July 26, 2024	36,00,000	10	Nil	Bonus Issue (9:1)	Mani Sajumohan	10,78,011
					Gangadharan Jyothi	10,78,002
					Biju Uthuppu	8,85,087
					Kurian Koodarathil Uthuppu	3,24,000
					Pooja Mohan	1,44,000
					Nupoor Sinha	90,000
					Reshma Mohan	900

**4) Issue of Equity Shares out of revaluation reserves**

Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

**5) Issue of Equity Shares pursuant to any scheme of arrangement**

Our Company has not issued or allotted any Equity Shares pursuant to the scheme of arrangement/ amalgamation approved under Sections 230 - 234 of the Companies Act, 2013.

**6) Shareholding Pattern of our Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus.

*[The Remainder of this Page has intentionally been left blank]*

**Shareholding Pattern of our Company and the Equity Shares held by them is as follows:**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity shares held (IV)	No of partly paid-up equity shares held(V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+ C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter(s) and Promoter Group	6	39,00,000	--	--	39,00,000	97.50	39,00,000	97.50	--	--	--	--	--	--	39,00,000
B	Public	1	1,00,000	--	--	1,00,000	2.50	1,00,000	2.50	--	--	--	--	--	--	1,00,000
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total (A+B+C)</b>	<b>7</b>	<b>40,00,000</b>	<b>--</b>	<b>--</b>	<b>40,00,000</b>	<b>100.00</b>	<b>40,00,000</b>	<b>100.00</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>40,00,000</b>

**Note:**

- As on the date of this Draft Prospectus 1 Equity Share holds 1 vote
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of SME platform of BSE Limited before commencement of trading of such Equity Shares.

Note: The face value of Equity Shares is ₹10/- each

- 7) The shareholding pattern of our Promoters, Promoter Group and Public before and after the Issue is set forth below:

Particulars	Pre-Issue		Post-Issue*	
	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding
<b>Promoter (A)</b>				
Mani Sajumohan	11,97,790	29.94	●	●
Gangadharan Jyothi	11,97,780	29.94	●	●
Biju Uthuppu	9,83,430	24.59	●	●
<b>Total (A)</b>	<b>33,79,000</b>	<b>84.48</b>	●	●
<b>Promoter Group (B)</b>				
Kurian Koodarathil Uthupp	3,60,000	9.00	●	●
Pooja Mohan	1,60,000	4.00	●	●
Reshma Mohan	1,000	0.03		
<b>Total (B)</b>	<b>5,21,000</b>	<b>13.03</b>	●	●
<b>Public (C)</b>				
Nupoor Sinha	1,00,000	2.50	●	●
<b>Total (C)</b>	<b>1,00,000</b>	<b>2.50</b>	●	●
<b>Total (A+B+C)</b>	<b>40,00,000</b>	<b>100</b>	●	●

\*Subject to finalization of Basis of Allotment

- 8) Except as mentioned below, none of our Key Management Personnel or Senior Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Prospectus:

Particulars	No. of Equity Shares (of ₹10/- each)	Percentage (%) holding
Mani Sajumohan	11,97,790	29.94
Gangadharan Jyothi	11,97,780	29.94
<b>Total</b>	<b>23,95,570</b>	<b>59.88</b>

- 9) Details of shareholding of major shareholders

- i. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Prospectus/end of last week from the date of this Draft Prospectus:

Particulars	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding
Mani Sajumohan	11,97,790	29.94
Gangadharan Jyothi	11,97,780	29.94
Biju Uthuppu	9,83,430	24.59
Kurian Koodarathil Uthupp	3,60,000	9.00
Pooja Mohan	1,60,000	4.00
Nupoor Sinha	1,00,000	2.50
<b>Total</b>	<b>39,99,000</b>	<b>99.97</b>

- ii. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, one (1) year prior to the date of filing of this Draft Prospectus:

Particulars	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding*
Pooja Mohan	1,95,000	48.75
Gangadharan Jyothi	97,500	24.38
Mani Sajumohan	97,500	24.38
Nupur Sinha	10,000	2.50
<b>Total</b>	<b>4,00,000</b>	<b>100.00</b>



- iii. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, two (2) years prior to the date of filing of this Draft Prospectus:

Particulars	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding*
Mani Sajumohan	97,500	24.38
Gangadharan Jyothi	97,500	24.37
Pooja Mohan	2,05,000	51.25
<b>Total</b>	<b>4,00,000</b>	<b>100.00</b>

- iv. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company ten (10) days prior to the date of this Draft Prospectus:

Particulars	Number of Equity Shares (of ₹10/- each)	Percentage (%) holding
Mani Sajumohan	11,97,790	29.94
Gangadharan Jyothi	11,97,780	29.94
Biju Uthuppu	9,83,430	24.59
Kurian Koodarathil Uthupp	3,60,000	9.00
Pooja Mohan	1,60,000	4.00
Nupoor Sinha	1,00,000	2.50
<b>Total</b>	<b>39,99,000</b>	<b>99.97</b>

#### 10) History of the Equity Share capital held by our Promoters

As on the date of this Draft Prospectus, our Promoters hold 33,79,000 Equity Shares, equivalent to 84.47 % of the issued, subscribed and paid-up Equity Share capital of our Company.

##### a. Capital built-up of our Promoters:

Name of the Promoter: Mani Sajumohan								
Date of Allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
January 13, 2021	10,000	Cash	10	10	Initial Subscription	10,000	0.25	[•]
June 16, 2021	10,000	NA	10	10	Acquisition of shares by way of gift from Reshma Mohan	20,000	0.25	[•]
June 28, 2021	77,500	Cash	10	10	Rights Issue	97,500	1.94	[•]
December 20, 2023	72,522	NA	10	0	Acquisition of shares by way of gift from Pooja Mohan	1,70,022	1.81	[•]
December 20, 2023	(50,243)	Cash	10	621	Disposal of shares by way of transfer to Biju Uthuppu	1,19,779	(1.26)	[•]
July 26, 2024	10,78,011	Other than cash	10	NA	Bonus Issue	11,97,790	26.95	[•]
<b>Total</b>	<b>11,97,790</b>						<b>29.94</b>	

Name of the Promoter: Gangadharan Jyothi								
Date of Allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
January 13, 2021	30,000	Cash	10	10	Initial Subscription	30,000	0.75	[●]
February 26, 2021	(20,000)	NA	10	10	Disposal by way of transfer to Pooja Mohan	10,000	(0.50)	[●]
June 28, 2021	87,500	Cash	10	10	Rights Issue	97,500	2.19	[●]
December 20, 2023	62,078	NA	10	0	Acquisition of shares by way of Gift from Pooja Mohan	1,59,578	1.55	[●]
December 20, 2023	(36,000)	Cash	10	621	Disposal of shares by way of transfer to Kurian Koodarathil Uthupp	1,23,578	(0.90)	[●]
December 20, 2023	(3,800)	Cash	10	621	Disposal of shares by way of transfer to Biju Uthuppu	1,19,778	(0.10)	[●]
July 26, 2024	10,78,002	Other than cash	10	NA	Bonus Issue	11,97,780	26.95	[●]
<b>Total</b>	<b>11,97,780</b>						<b>29.94</b>	

Name of the Promoter: Biju Uthuppu								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
December 20, 2023	24,300	Cash	10	621	Acquisition of shares by way of transfer from Pooja Mohan	24,300	0.61	[●]
December 20, 2023	50,243	Cash	10	621	Acquisition of shares by way of transfer from Saju Mohan	74,543	1.26	[●]
December 20, 2023	3,800	Cash	10	621	Acquisition of shares by way of transfer from Gangadharan Jyothi	78,343	0.10	[●]
December 20, 2023	20,000	Cash	10	621	Acquisition of shares by way of transfer from Pooja	98,343	0.50	[●]

Name of the Promoter: Biju Uthuppu								
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (₹)	Issue / Acquisition / Transfer Price per Equity Share (₹)	Nature of Transaction	Cumulative No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)
					Mohan			
July 26, 2024	8,85,087	Other than cash	10	NA	Bonus Issue	9,83,430	22.13	[•]
<b>Total</b>	<b>9,83,430</b>						<b>24.6</b>	

**11) Details of Secondary Transaction involving Promoter and Promoter Group**

Except as disclosed below Promoter and members of Promoter Group have not entered into any secondary transaction of Equity Shares as on date of this Draft Prospectus:

Sr No	Date of Transfer	No. of equity shares (of ₹10/- each)	Nature of Transaction	Consideration (₹ in lakhs)	Transfer price per equity share	Name of Transferrer	Name of Transferee
1.	February 26, 2021	20,000	Transfer	2.00	10.00	Gangadharan Jyothi	Pooja Mohan
2.	June 16, 2021	10,000	Transfer	1.00	10.00	Reshma Mohan	Mani Sajumohan
3.	August 23, 2023	10,000	Transfer	1.00	10.00	Pooja Mohan	Nupur Sinha
4.	December 20, 2023	62,078	Gift	Nil	Nil	Pooja Mohan	Gangadharan Jyothi
5.	December 20, 2023	24,300	Transfer	150.90	621.00	Pooja Mohan	Biju Uthuppu
6.	December 20, 2023	20,000	Transfer	124.20	621.00	Pooja Mohan	Biju Uthuppu
7.	December 20, 2023	100	Gift	Nil	Nil	Pooja Mohan	Reshma Mohan
8.	December 20, 2023	72,522	Gift	Nil	Nil	Pooja Mohan	Mani Saju Mohan
9.	December 20, 2023	36,000	Transfer	223.56	621.00	Gangadharan Jyothi	Kurian Koodarathil Uthupp
10.	December 20, 2023	3,800	Transfer	23.60	621.00	Gangadharan Jyothi	Biju Uthuppu
11.	December 20, 2023	50,243	Transfer	3.12	621.00	Mani Sajumohan	Biju Uthuppu

**12) We hereby confirm that:**

None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus

**13)** None of the Promoters, members of the Promoter Group, Directors and their immediate relatives has entered into any financing arrangement or financed the purchase of the Equity shares of our Company by any other person during the period of six months immediately preceding the date of this Draft Prospectus.

**14)** None of our Shareholders have the right to nominate directors or other special rights.

**15)** The average cost of acquisition of or subscription to Equity Shares by our Promoters are set forth in the table below:

Name of the Promoters	No. of Equity Shares of ₹10/- each held	Average cost of Acquisition (in ₹) *
Mani Sajumohan	11,97,790	0.78

Gangadharan Jyothi	11,97,780	0.93
Biju Uthuppu	9,83,430	62.1

\*As certified by our Statutory Auditors, M/s. SGS and Company, Chartered Accountants vide their certificate dated November 23, 2024

**16) Details of Promoters contribution locked in for three (3) years:**

- i. Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as promoter's contribution ("Minimum Promoter's Contribution") and shall be locked-in for a period of three years from the date of Allotment in this Issue.
- ii. As on date of this Draft Prospectus, our Promoters hold 33,79,000 Equity Shares constituting [●]% of the post-Issue Paid-up Equity Share Capital of our Company, which are eligible for the Promoter's Contribution.
- iii. Our Promoters has consented to include such number of Equity Shares held by him as may constitute of the post issue Equity Share capital of our Company as Minimum Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoter's Contribution and his lock-in details are as follows\*:

Promoter	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Acquisition	No. of Equity Shares	Face Value (in ₹)	Issue Price per Equity share (in ₹)	% of Pre-Issue Equity share capital	% of Post Issue Equity Share Capital	Date upto which Equity Shares shall be Locked in
Mani Sajumohan	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Gangadharan Jyothi	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Biju Uthuppu	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>			[●]				[●]	[●]

\*To be included in the Prospectus.

Note- No partly paid-up shares were issued at any point of time.

- iv. The Minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. All the Equity Shares, which are being locked-in are not ineligible for computation of Minimum Promoter's Contribution under Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.
- v. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in as Minimum Promoter's Contribution do not consist of:
  - a. Equity Shares acquired during the three (3) years preceding the date of filing of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
  - b. Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being issued to the public in the Issue;
  - c. The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance
- vi. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion from a partnership firm;
- vii. As on the date of this Draft Prospectus, the Equity Shares held by our Promoters is in dematerialized form.

**17) Equity Shares locked-in for one year other than Minimum Promoters' Contribution.**

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as Minimum Promoter's Contribution for three years, all pre-Issue equity shares constituting [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

**18) Transferability of Locked in Equity Shares**

- a. In terms of Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by Promoters prior to the Issue and locked in as per Regulation 238 of the SEBI (ICDR) Regulations may be transferred to any person of the Promoters Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b. Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.

**19) Pledge of Locked in Equity Shares**

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- a. If the Equity Shares are locked-in in terms of clause (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of Equity Shares is one of the terms of sanction of the loan;
- b. If the Equity Shares are locked-in in terms of clause (b) of Regulation 238 of the SEBI ICDR Regulations, the pledge of Equity Shares is one of the terms of sanction of the loan.

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

**20) Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" along with the specified lock-in period on the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Stock Exchange before the listing of the Equity Shares.

- 21) As on date of this Draft Prospectus, our Company has 7 (Seven) Equity shareholders.
- 22) As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters / Promoter Group are subject to any pledge.
- 23) There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed or application money unblocked on account of failure of Issue.
- 24) Except in the ordinary course of business and in compliance with applicable laws, our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis.
- 25) Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back and/or standby and/or similar arrangements for the purchase of Equity Shares being issued through the Issue from any person.

- 26) All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Prospectus and the date of closing of the Issue shall be reported to the Stock Exchange within 24 hours of such transactions.
- 27) Our Promoters and the members of our Promoter Group shall not participate in this Issue.
- 28) Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- 29) No person connected with the Issue, including, but not limited to, the Lead Manager, the members of the Syndicate, our Company, Directors, Promoters and member of our Promoter Group shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash or kind or services or otherwise to any Applicant.
- 30) As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in advisory or investment banking transactions with our Company for which they may in the future receive customary compensation.
- 31) None of the investors/shareholders of the Company are directly/indirectly related with Lead Manager and their associates.
- 32) Our Company is in compliance with the Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus. For applicable risk refer chapter titled ***“Risk Factors – There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties”*** on page 22.

## SECTION - IV – PARTICULARS OF THE ISSUE

### OBJECT OF THE ISSUE

The Issue comprises a fresh issue of up to 17,20,000 Equity Shares of ₹ 10 each by our Company aggregating up to ₹ 1,066.40 lakhs (“**Fresh Issue**” or “**Issue**”).

The proceeds of the Issue, after deducting the Issue related expenses (“**Net Proceeds**”) are estimated to be approximately ₹[●] lakhs. Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

- (i) Funding towards construction of a new office building at our Unit-II land;
- (ii) Funding towards purchase of machinery and equipment at our Unit-II;
- (iii) Meeting incremental working capital requirements; and
- (iv) General Corporate Purpose

(Collectively referred to as “**Objects**”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE Limited (“**BSE SME**”).

The main objects clause and the matters which are necessary for furtherance to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

### NET PROCEEDS

The details of the proceeds from the Issue are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds from the Fresh Issue <sup>#</sup>	Upto 1,066.40
Less: Issue Related Expenses	[●]
Net Proceeds	[●]

<sup>#</sup> To be finalized upon determination of the Issue Price and will be updated in the Prospectus prior to filing with the Stock Exchange.

### UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT

The Net Proceeds are currently expected to be deployed in accordance with the details provided in the table below:

Particulars	Estimated Amount (₹ in lakhs) *
Funding towards construction of a new office building at our Unit-II land	88.22
Funding towards purchase of machinery and equipment at our Unit-II;	98.69
Meeting incremental working capital requirements	Upto 506.25
General Corporate Purposes	[●]
<b>Total</b>	[●]

<sup>#</sup>To be finalized upon determination of Issue Price and will be updated in the Prospectus.

\*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET PROCEEDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

(₹ in lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilization of Net Proceeds in Fiscal 2025	Estimated utilization of Net Proceeds in Fiscal 2026
Funding towards construction of a new office building at our Unit-II land	88.22	10.00	72.22
Funding towards purchase of machinery and equipment at our Unit-II;	98.69	98.69	Nil
Meeting incremental working capital requirements	Upto 506.25	212.00	294.25
General corporate purposes <sup># 5</sup>	[●]	[●]	[●]
<b>Net Proceeds of the Issue</b>	[●]	[●]	[●]

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

We propose to deploy the Net Proceeds towards the Objects of the Issue by the end of the Fiscal 2025 and Fiscal 2026 and in the manner as specified in the table above. However, if the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be finalized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The fund deployment indicated above is based on management estimates, current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details of factors that may affect these estimates, see to **“Risk Factors”** on page 22.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilization towards any of the Objects, including the issue related expenses is lower than the proposed deployment, such balance will be used for such objects in the subsequent Fiscals or will be used towards the objects set out herein above, if required including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue, at the discretion of the management, in accordance with Regulation of the SEBI (ICDR).

## MEANS OF FINANCE

Fund requirements for the Objects are proposed to be met from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1) of the SEBI ICDR Regulations 2018 and Clause 9 of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue or through existing identifiable internal accruals.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilization towards any of the Objects, including utilization towards issue related expenses, is lower than the proposed deployment, such balance will be used for towards the objects set out herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI (ICDR) Regulations.



## DETAILS OF THE OBJECTS OF THE FRESH ISSUE

### 1. Funding towards construction of a new office building at our Unit-II land

The total estimated cost of the construction of the proposed new building (“**new office building**”) is ₹88.22 lakhs, based on the cost estimates received from Rupesh Narayanan, Registered Architect (CA/95/18972) of Modarchs Consultants India Private Limited. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

As on date of this Draft Prospectus, we administer our operations from our manufacturing facility situated at 10/1051, Ayyappanpara, Thevarmani Chathamangalam PO, Nemmara, Chathamangalam, Palakkad, Chittur, Kerala, India, 678508. Looking at our future growth and market trend we would require more production space in our Unit-I and hence we intend to construct a separate office building for the administration of the overall business of our Company. The construction of the said premise is yet to commence for which we intend to utilize the said proceeds. Further, on basis of cost estimates received from Rupesh Narayanan, Registered Architect (CA/95/18972) of Modarchs Consultants India Private Limited, the details of the proposed expansion are as under:

(₹ in lakhs)

Particulars	Estimated Amount (in ₹)
<b>Ground Floor</b>	
Earthwork excavation in all classes of Soil using machinery/manual and depositing on bank with initial lead up to 50m including de-watering if necessary, back filling after breaking clods, watering, ramming, consolidating and sectioning of spoil bank etc. complete for footing & plinth beam work etc. complete.	0.38
Plain Cement Concrete 1:5:10 using 40mm nominal size broken stones, including laying, consolidating, curing, shuttering, etc complete below footing.	0.54
Plain Cement Concrete 1:5:10 using 40mm nominal size broken stones, including laying, consolidating, curing, shuttering, etc. complete for flooring.	0.75
Red earth filling using earth available at site including watering, consolidation in layers to get a procter density of 95% for basement.	0.54
Reinforced cement concrete M20 Grade using 20mm down size aggregate for column footing including all form work watering, curing, dewatering if necessary etc. complete.	1.58
Reinforced cement concrete M20 Grade using 20mm down size aggregate for column pedestal including all form work watering, curing, dewatering if necessary etc. complete.	0.23
Reinforced cement concrete M20 Grade using 20mm down size aggregate for plinth beam including all form work watering, curing, dewatering if necessary etc. complete.	1.1
Reinforced cement concrete M20 Grade using 20mm down size aggregate for lintel including all form work watering, curing, dewatering if necessary etc. complete.	0.3
Reinforced cement concrete M20 Grade using 20mm down size aggregate for sunshade including all form work watering, curing, dewatering if necessary etc. complete.	0.23
Reinforced cement concrete M20 Grade using 20mm down size aggregate for stair including all form work watering, curing, dewatering if necessary etc. complete	0.39
Reinforced cement concrete M20 Grade using 20mm down size aggregate for slab including all form work watering, curing, dewatering if necessary etc. complete.	2.40
Reinforcement using tor steel for R.C.C works bent, placed and tied in position using 20 guage binding wire with necessary chairs and spacers etc. complete including cost of steel.	4.50
Masonry works in cement mortar 1:6 using Solid Blocks 300 * 200 * 150 including cost and conveyance of all materials, labour charge etc. complete.	2.28
Masonry works in cement mortar 1:6 using Solid Blocks 300 * 200 * 100 including cost and conveyance of all materials, labour charge etc. complete.	0.6
Kerb wall (block work).	0.05
Plastering with C.M. 1:4, 12mm thick for outer walls, one coat, floated hard and trowelled smooth including scaffolding, curing, etc. complete.	0.76

<b>Particulars</b>	<b>Estimated Amount (in ₹)</b>
Plastering with C.M. 1:4, 12mm thick for inner walls, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete.	1.64
Plastering with C.M. 1:3, 9mm thick for under side of sunshade, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete.	0.63
Plastering with C.M. 1:4, 20mm thick for top of the sunshade, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete.	0.08
Supplying and paving approved quality vitrified ceramic tiles (60 * 60cms) size with spacers over existing floor tiles top pasting and filling the joints with suitable coloured epoxy joint filler (latecrete or equivalent brand) etc, complete.	1.82
Supplying and paving skid proof ceramic tiles in tollets over a bed of 20mm thick C.M. 1:5, cement grout for binding, pointing with waterproof Joint filler of matching colour, etc. complete.	0.09
Dadoing walls with best quality glazed tiles over 12mm thick cement mortar 1:3 and pointing with water proof joint filler of matching colour, etc complete (for kitchen & toilet wall).	0.32
Supplying and fixing powder coated Aluminium Sliding windows (JINDAL or equivalent sections), 5 mm thk plain glass, necessary fittings, clamps, neoprene beeding all as per drawins etc complete.	0.41
Providing and fixing Aluminium louvered ventilators (JINDAL or equivalent) of colour coated galvanized box sections, glass holding flanges of glass filled nylon. Glass thickness shall be 4mm.	0.07
Supplying and fixing openable powder coated aluminium door using JINDAL or equivalent sections, 5.5mm thk glass at top half and 9mm thk laminated particle board with necessary fittings including hydraulic floor spring (Everite or equivalent), necessary locking arrangements, etc complete.	0.30
Providing FRP doors (Highness or equivalent) of 30mm thk (glossy finish), frame size 50mm *100mm including locking arrangements, handles, hinges etc. complete.	0.22
Providing glass door (GD & FG).	0.55
Supplying and fixing M.S grills for windows and ventilators using 10mm sqre MS rods as horizontals @30cm c/c and 25x6mm ms flat as verticals @15cm c/c and 25x6mm outer frame with necessary hold fasts and screws for fixing. including two coat of primer.	0.72
Supplying, fabrication and fixing of SS handrail of height 120cm, top rail shall be 2" dia section 2 ^ prime prime *1^ prime prime rectangular vertical posts, 3 /4^ prime prime vertical mid posts and 1" x 1/2" rectangular horizontal section connecting mid posts all as per drawings. All sections shall be of gauge thickness 16 (t/-) 304 grade with mat finish, tig welded.	0.79
Applying 2 coats synthetic enamel paint over two coats of zincchromate primer after cleaning the surface with sand paper for iron work.	0.07
Applying one coat white cement to the newly plastered surface, after cleaning the surface, free of dust, dirt etc. complete.	0.45
Painting 2 coats of acrylic exterior emulsion for outside walls having approved quality and colour, after rubbing with sand paper and properly cleaning the surface etc complete.	0.34
Painting 2 coats of acrylic Interior emulsion for inside walls and Ceilings having approved quality and colour, over a priming coat after rubbing with sand paper and properly cleaning the surface etc complete.	1.01
Internal partitions using aerocon panels including two coat wall putty and Interior emulsion.	3.65
Internal furniture's and other accessories	9
<b>Total Construction cost for Office Block-Ground Floor (A)</b>	<b>38.91</b>
<b>First Floor</b>	
Reinforced cement concrete M20 Grade using 20mm down size aggregate for lintel including all form work watering, curing, dewatering if necessary etc. complete.	0.38

Particulars	Estimated Amount (in ₹)
Reinforced cement concrete M20 Grade using 20mm down size aggregate for sunshade including all form work watering, curing, dewatering if necessary etc. complete.	0.21
Reinforced cement concrete M20 Grade using 20mm down size aggregate for slab including all form work watering, curing, dewatering if necessary etc. complete.	2.60
Reinforcement using tor steel for R.C.C works bent, placed and tied in position using 20 guage binding wire with necessary chairs and spacers etc. complete including cost of steel.	2.25
Masonry works in cement mortar 1:6 using Solid Blocks 300 x 200 x 150 including cost and conveyance of all materials, labour charge etc. complete.	3.40
Masonry works in cement mortar 1:6 using Soild Blocks 300 x 200 x 100 including cost and conveyance of all materials, labour charge etc. complete.	0.72
Plastering with C.M. 1:4, 12mm thick for outer walls, one coat, floated hard and trowelled smooth including scaffolding, curing, etc. complete.	1.39
Plastering with C.M. 1:4, 12mm thick for inner walls, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete.	1.76
Plastering with C.M. 1:3, 9mm thick for under side of sunshade, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete.	1.22
Plastering with C.M. 1:4, 20mm thick for top of slab and sunshade, one coat, floated hard and trowelled smooth including scaffolding, curing, etc complete	0.79
Supplying and paving approved quality vitrified ceramic tiles (60x60cms) size with spacers over existing floor tiles top pasting and filling the joints with suitable coloured epoxy joint filler (latecrete or equivalent brand) etc, complete.	1.69
Supplying and paving skid proof ceramic tiles in toilets over a bed of 20mm thick C.M. 1:5, cement grout for binding, pointing with waterproof joint filler of matching colour, etc. complete.	0.08
Dadoing walls with best quality glazed tiles over 12mm thick cement mortar 1:3 and pointing with water proof joint filler of matching colour, etc complete (for kitchen & toilet wall).	0.37
Providing and fixing suspended false ceiling which includes providing and fixing GI perimeter channel along with the perimeter of the ceiling, screw fixed to brick wall/partition with the help of nylon sleeves and screws at 610 mm centres. Then suspending GI intermediate channel each from the soffit at 1220 mm centres with GI ceiling angle fixed to the soffit with GI cleat and steel expansion fasteners. Ceiling sectins are then fixed to the intermediate channel at 610 mm centres. Tapered 12.5mm edge MR Gyp board (Moisture Resistant) Ordinary Mfd. by S.G.L. Ltd. (India Gypsum) is then screw fixed to ceiling section with 25mm drywall screws at 230mm centres. Screw fixing is done mechanically either with screwdriver or drilling machine with the suitable attachment. Finally the boards are to be jointed and finished so as to have a flush look which includes filling and finished the tapered and square edges of the boards with jointing compound, paper tape (for toilet ceiling).	0.81
Supplying and fixing powder coated Aluminium Sliding windows (JINDAL or equivalent sections), 5 mm thick plain glass, necessary fittings, clamps, neoprene beeding all as per drawins etc complete.	0.68
Providing and fixing Aluminium louvered ventilators (JINDAL or equivalent) of colour coated galvanized box sections, glass holding flanges of glass filled nylon. Glass thickness shall be 4mm.	0.05
Supplying and fixing openable powder coated aluminium door using JINDAL or equivalent sections, 5.5mm thick glass at top half and 9mm thk laminated particle board with necessary fittings including hydraulic floor spring (Everite or equivalent), necessary locking arrangements, etc complete.	0.60
Providing FRP doors (Highness or equivalent) of 30mm thk (glossy finish), frame size 50mm 100mm including locking arrangements, handles, hinges etc. complete.	0.14
Supplying and fixing M.S grills for windows and ventilators using 10mm squre MS rods as horizontals @ 30cm c/c and 25x6mm ms flat as verticals @ 15cm c/c and	0.51

Particulars	Estimated Amount (in ₹)
25x6mm outer frame with necessary hold fasts and screws for fixing. including two coat of primer.	
Applying 2 coats synthetic enamel paint over two coats of zincchromate primer after cleaning the surface with sand paper for iron work.	0.06
Applying one coat white cement to the newly plastered surface, after cleaning the surface, free of dust, dirt etc. complete.	0.62
Painting 2 coats of acrylic exterior emulsion for outside walls having approved quality and colour, after rubbing with sand paper and properly cleaning the surface etc complete	0.59
Painting 2 coats of acrylic interior emulsion for inside walls and Ceilings having approved quality and colour, over a priming coat after rubbing with sand paper and properly cleaning the surface etc complete	1.28
<b>Total Construction cost for Office Block-First Floor (B)</b>	<b>22.20</b>
<b>Electrification Cost (C)</b>	<b>5.50</b>
<b>Plumbing Cost (D)</b>	<b>3.40</b>
<b>Contractor Fees, approvals and other charges (E)</b>	<b>11.21</b>
<b>Contingency (F)</b>	<b>7.00</b>
<b>Total (A)+(B)+(C)+(D)+(E)+(F)</b>	<b>88.22</b>

The cost estimates received from the above firm of architect is valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with the supplier and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. see “**Risk Factor—Our proposed construction of new office building is subject to the risk of unanticipated delays in implementation and cost overruns**” on page 25.

#### **Schedule of deployment of funds**

The Net Proceeds are currently expected to be deployed for the construction of office building, in accordance with the estimated schedule set forth below:

(₹ in lakhs)

Particulars	Estimated deployment of Net Proceeds	
	Fiscal 2025	Fiscal 2026
Construction cost for Office Block-Ground Floor	10.00	28.91
Construction cost for Office Block-First Floor	0.00	22.20
Electrification Cost	0.00	5.50
Plumbing Cost	0.00	3.40
Contractor Fees, approvals and other charges	0.00	11.21
Contingency	0.00	7.00

#### **Government approvals**

In relation to the construction of proposed new office building, we would not be required to obtain any construction related approvals for a period of three (3) years starting from November 18, 2022 vide Acknowledgement Certificate issued by Department of Industries & Commerce, Government of Kerala vide Certificate number KLMSME-9489/2022 dated November 18, 2022.

## **2. Funding towards purchase of machinery and equipment at our Unit-II**

As on the date of this Draft Prospectus, we have one manufacturing unit and are in the process of setting up the second unit at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, 678508, Kerala, India (“**Unit-II**”) which is within the radius of 6 kms of our Unit-I. Our Company has started trial run for the manufacturing of PPFM Yarn in our Unit-II. The additional machines proposed to be purchased will be used for manufacturing of narrow fabrics namely, pet leashes and furniture elastic, thus enabling us to expand our product portfolio.

The Company has not placed any firm order for the purchase of equipment and based on the quotation received from various vendors the total funds which may be required for the said object shall be up to ₹104.77 lakhs (excluding GST). The detailed break-up of the said object is provided below:

Name & description of the equipment	Name of Supplier	Quotation Date	Date of Expiry of Quotation	Quoted Amount per unit (exclusive of all taxes)	Quantity (Nos)	Total price (in ₹)
Hightex Model 430HM (Made in China)  High speed, Automatic bar tacking sewing machine with double size shuttle hook and bobbin capacity, Complete Set	India Sewing Machine Company	September 10, 2024	December 9, 2024	2.05	1	2.05
Hightex Model 430FX (Made in China)  Heavy Duty Bartack Sewing Machine, Complete Set	India Sewing Machine Company	September 10, 2024	December 9, 2024	2.45	1	2.45
Finishing Machine FMG82 GAS	Reliance Agency	September 2, 2024	December 1, 2024	5.30	1	5.30
Festooning Machine with Weighing Scale	Reliance Agency	September 2, 2024	December 1, 2024	3.15	1	3.15
80 Ends / 160 Spindle Mechanical Universal Rubber Thread Double Covering Machine Model "Jc-51-M-D" With Splitter Unit, Spool Fitting Spindles, 3 Beam Winding Attachment, 80 Ends Lycra Thread Feeding Attachment, 80 Ends Cheese End Package Attachment, Complete with Motor, Star Delta Starter Etc	Rima Machines Private Limited	September 2, 2024	December 2, 2024	10.06	1	10.56
Vertical Spool Winder Model "Jc-103-Sw" having 24 Spindle Complete with Electricals.	Rima Machines Private Limited	September 2, 2024	December 2, 2024	0.91	1	0.91
Hylem Flange Aluminium Barrel Bobbin (140X100X50X44MM)	Rima Machines Private Limited	September 2, 2024	December 2, 2024	0.00190	320	0.61
High Speed Brading 32x1 X130 Series	Reliance Agency	August 31, 2024	November 29, 2024	4.65	4	18.60
High Speed Braiding Machine 16x2x130	Reliance Agency	August 31, 2024	November 29, 2024	4.65	1	4.65
High Speed Braiding Machine 16 X 4	Reliance Agency	August 31, 2024	November 29, 2024	3.25	1	3.25
Automatic Winder 130 Series	Reliance Agency	August 31, 2024	November 29, 2024	3.10	1	3.10

Name & description of the equipment	Name of Supplier	Quotation Date	Date of Expiry of Quotation	Quoted Amount per unit (exclusive of all taxes)	Quantity (Nos)	Total price (in ₹)
Beam 12x14	Neotech Overseas	August 31, 2024	November 29, 2024	0.02	200	4.10
Measuring and Roll Winding Machine	Neotech Overseas	September 2, 2024	November 29, 2024	1.05	2	2.10
IGH Speed Shuttle Less Narrow Fabrics Jacquard Needle Loom Machine YTB-CS/55/384 Hook 2 Set	Best Impex	September 2, 2024	December 1, 2024	8.95	2	17.90
YITAI - YTB-C 10/45/256 Hook 2 Set with Main Motor Servo Motor with Take Up Roll Servo Motor Reduce Stop Mark Weft Density With 24 Position Back Creel with Belt Feeding Device with standard spares parts	Best Impex	September 2, 2024	December 1, 2024	7.95	2	15.90
Elmak Servo Stabilizer 150 KVA	MAK Controls	September 13, 2024	December 12, 2024	3.16	1	3.16
Elmak Online UPS 5 KVA/120DVC	MAK Controls	September 13, 2024	December 12, 2024	0.50	1	0.50
Exide SMF Battery 12V-42AH	MAK Controls	September 13, 2024	December 12, 2024	0.04	10	0.36
Battery Stand	MAK Controls	September 13, 2024	December 12, 2024	0.04	1	0.04
<b>Total</b>						<b>98.69</b>

**Notes:**

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification / addition / deletion of machineries or equipment) at the time of actual placement of the order. In such case, the management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second-hand machinery.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of packing & forwarding, transportation, transit insurance and applicable taxes if any etc. Such cost escalation would be met out of our internal accruals.
- As on the date of this Draft Prospectus, our Company has not deployed any funds towards purchase of the aforesaid machines.

### 3. To meet the incremental working capital requirements

Our Company proposes to utilize up to ₹506.25 lakhs towards funding its incremental working capital requirements in the Fiscal 2025 and Fiscal 2026. We have significant working capital requirements, and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities. Our Company, in order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and

corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.

### Basis of estimation of working capital requirement

We propose to utilize up to ₹506.25 lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Fiscal 2025 and Fiscal 2026. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals, and borrowings from banks, financial institutions, non-banking financial companies and related parties.

The details of our Company's working capital as at and for restated financial statement for the three months period ended June 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, and the source of funding, on the basis of Restated Financial Statements of our Company are provided in the table below:

(₹ in lakhs)

Particular	For the Financial year			
	June 30, 2024 (Restated)*	March 31, 2024 (Restated)*	March 31, 2023 (Restated) *	March 31, 2022 (Restated)*
<b>I. Current Assets</b>				
Inventories	89.12	39.76	35.79	30.47
Trade receivables	153.80	168.55	86.18	13.89
Short term Loans and advances	106.72	102.87	69.50	52.86
Other current assets	2.07	1.86	0.26	0.18
<b>Total current assets (A)</b>	<b>351.70</b>	<b>313.04</b>	<b>191.73</b>	<b>97.40</b>
<b>II. Current liabilities</b>				
Trade payables	13.60	2.47	2.83	1.51
Other current liabilities	81.84	76.15	40.01	125.45
Short-term Provisions	0.61	0.63	0.64	0.41
<b>Total current liabilities (B)</b>	<b>96.04</b>	<b>79.25</b>	<b>43.48</b>	<b>127.37</b>
<b>Net working capital (A-B)</b>	<b>255.66</b>	<b>233.79</b>	<b>148.25</b>	<b>(29.97)</b>
<b>Sources of funds</b>				
Borrowings	68.90	53.98	60.00	Nil
Internal Accruals / Equity	186.76	179.81	88.25	Nil
<b>Total Means of Finance</b>	<b>255.66</b>	<b>233.79</b>	<b>148.25</b>	<b>Nil</b>

\*As certified by our Statutory Auditors, M/s. SGS and Company., Chartered Accountants vide their certificate dated November 23, 2024

### Expected working capital requirements

The estimated working capital requirements for the Financial Year ended March 31, 2025 and March 31, 2026 has been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated November 23, 2024 has approved the projected working capital requirements for the Financial Year ended March 31, 2025 and Financial Year ended March 31, 2026 with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ in lakhs)

Particular	For the Financial Year	
	March 31, 2026 (Projected)*	March 31, 2025 (Estimated)*
<b>Current Assets</b>		

Particular	For the Financial Year	
	March 31, 2026 (Projected)*	March 31, 2025 (Estimated)*
Inventories	270.48	239.97
Trade receivables	680.34	364.02
Short term Loans and advances	415.24	206.92
Other current assets	7.52	3.75
<b>Total current assets (A)</b>	<b>1,373.58</b>	<b>814.65</b>
<b>Current liabilities</b>		
Trade payables	9.98	4.97
Other current liabilities	332.40	153.18
Short-term Provisions	2.54	1.26
<b>Total current liabilities (B)</b>	<b>344.92</b>	<b>159.42</b>
<b>Net working capital (A-B)</b>	<b>1,028.67</b>	<b>655.23</b>
<b>Sources of funds</b>		
Borrowings	250	150
Internal Accruals / Equity	657.66	120
IPO Proceeds	121	385.25
<b>Total Means of Finance</b>	<b>1028.67</b>	<b>655.23</b>

\*As certified by our Statutory Auditors, M/s. SGS and Company, Chartered Accountants vide their certificate dated November 23, 2024

Assumptions for our estimated working capital requirements:

(in Days)

Particulars	Projected amounts for the Year ended on March 31, 2026*	Estimated amounts for the Year ended on March 31, 2025*	For the three-month period ended June 30, 2024	For the Financial Year ended on March 31, 2024*	For the Financial Year ended on March 31, 2023*	For the Financial Year ended on March 31, 2022*
<b>Current assets</b>						
Inventories	40	71	61	24	25	22
Trade receivables	100	107	105	100	59	10
Short term Loans and advances	61	61	73	61	48	38
Other current assets	1	1	1	1	0	0
<b>Current liabilities</b>						
Trade payables	1	1	9	1	2	1
Other current liabilities	49	45	56	45	27	90
Short-term Provisions	0	0	0	0	0	0

\*As certified by our Statutory Auditors, M/s. SGS and Company, Chartered Accountants vide their certificate dated November 23, 2024

The table below sets forth the key assumptions for working capital projections:

<b>Inventories</b>	Our company's inventory holding periods were 22 days for Fiscal 2022, 25 days for Fiscal 2023, 24 days for Fiscal 2024 and 61 days for the three months period ended June 30, 2024. As our Company will start commercial production of PPMF Yarn in Unit-II by November 2024, we expect to have higher inventory holding levels in Fiscal 2025 at 71 days will rationalize in the subsequent fiscal i.e. Fiscal 2026 to 40 days.
<b>Trade receivables</b>	The holding levels of trade receivables were 10 days for Fiscal 2022, 59 days for Fiscal 2023, 100 days for Fiscal 2024 and 105 days for the three months period ended June 30, 2024. The increase in receivable days since Fiscal 2022 is on account of higher domestic



	sales in Fiscal 2023 and Fiscal 2024 as compared to Fiscal 2022. Our company expects the receivables holding period to be marginally higher at 107 days in Fiscal 2025 and 100 days in Fiscal 2026.
<b>Short term Loans and advances</b>	Our Company's Short-term loans & advances include balance with Government authorities, advance to creditors and advance salary. Our company has maintained holding level of short-term loans and advances at 38 days for Fiscal 2022, 48 days for Fiscal 2023, 61 days for Fiscal 2024 and 73 days for the three months period ended June 30, 2024. Our company expects the holding levels in both Fiscal 2025 and Fiscal 2026 to be around 61 days.
<b>Other current assets</b>	Other current assets include interest receivable and prepaid expenses. Other current assets remained at 0 days for Fiscal 2022, Fiscal 2023, and 1 day for Fiscal 2024 for the three months period ended June 30, 2024. Based on the expected business activity, it would continue to remain around 1 day in both Fiscal 2025 and Fiscal 2026.
<b>Trade payables</b>	Our Company has maintained a holding level of trade payable at 1 day for Fiscal 2022, 2 days for Fiscal 2023, 1 day for Fiscal 2024 and 9 days for the three months period ended June 30, 2024. Our Company plans to streamline its payable process to its vendors enabling it to negotiate for better rates and thereby the holding levels are expected to be maintained at 1 day for Fiscal 2025 and Fiscal 2026.
<b>Other current liabilities</b>	The holding levels of other current liabilities were 90 days for Fiscal 2022, 27 days for Fiscal 2023, 45 days for Fiscal 2024 and 56 days for the three months period ended June 30, 2024. Our Company expects the holding levels to 45 days in Fiscal 2025 and 49 days in Fiscal 2026.
<b>Short-term Provisions</b>	It includes provision for gratuity, leave encashment, labour welfare fund and provision for audit fees. As it is so low compared to other operating expenses, it remains as 0 days for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months period ended June 30, 2024. Based on the expected business activity, it would continue to remain around 0 days in both Fiscal 2025 and Fiscal 2026.

#### 4. General corporate purposes

Our Company proposes to deploy the balance gross proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

#### 5. Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ [●] lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount (₹ in lakhs) *	As a % of total estimated Issue expenses <sup>(1)</sup>	As a % of Issue size <sup>(1)</sup>
Lead Manager Fees	[●]	[●]	[●]
Fees payable to the Registrar to the Issue, Legal Advisors, Advisor to the Issue, Advertising Expenses, Printing and Distribution of issue stationery Brokerage, Selling, Commission and upload fees for	[●]	[●]	[●]

Activity	Estimated Amount (₹ in lakhs) *	As a % of total estimated Issue expenses <sup>(1)</sup>	As a % of Issue size <sup>(1)</sup>
SCSBs Sponsor Banks and Bankers to the Issue and fee payable to the Sponsor Bank for Bids made by RIBs. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDP			
Regulators including Stock Exchange	[●]	[●]	[●]
Others, if any (including Underwriting Commission, Market making, advisory fees, marketing expenses, fees payable to auditor etc.)	[●]	[●]	[●]
<b>Total estimated Issue related expenses</b>	[●]	[●]	[●]

\*Excluding applicable taxes (GST)

**Notes:**

1. As on date of this Draft Prospectus, the fund deployed out of internal accruals will be recouped out of issue proceeds.

- Selling commission payable to the SCSBs on the portion for Retail Individual Investors. Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Applicants*	₹[●] of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹[●] Of the Amount Allotted* (plus applicable taxes)

\* Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

- No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

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

- The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹[●] per valid application (plus applicable taxes)
Sponsor Bank	₹[●] per valid application* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable law

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Applicants*	₹[●] of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹[●] of the Amount Allotted* (plus applicable taxes)

\* Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs Bidding charges payable to the Registered Brokers, CRTAs/ CDPs

Application uploading charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

\*Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges/ Selling commission payable to the SCSBs payable/ Processing fees payable to the SCSBs under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Noninstitutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

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

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed Company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Appraisal Report**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

### **Appraisal by Appraising Agency**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party

organization. The funding requirements of our Company and the deployment of the proceeds of the Offer are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Monitoring Utilization of Funds**

Our Company is not required to appoint a monitoring agency for the purposes of this Offer. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half yearly basis disclose to the Audit Committee the Application of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### **Variation in Objects**

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act.

For further information on factors that may affect our internal management estimates, please see ***“Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency and may be subject to change based on various factors, some of which may be beyond our control. We have not entered into any definitive agreements to utilise certain portions of the Net Proceeds of the Issue”*** on page 42.

### **Other Confirmation**

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel or Senior Managerial Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel or Senior Managerial Personnel in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above

## BASIS FOR ISSUE PRICE

The Issue Price of ₹62.00 per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10 per Equity Share. The Issue Price is 6.2 times the face value.

The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should see "**Risk Factors**" and "**Restated Financial Statement**" on page 22 and 203, respectively to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

#### *Diversified customer base and long-standing relationship with our customers*

We have a well-diversified customer base across varied end-use industries such as, garment, luggage, automobile, pet care, footwear, home textiles, and packaging industry within India and overseas. As on the date of this Draft Prospectus, we have sold our products in over 6 countries. As on three months period ended June 30, 2024, we catered to 47 customers. Set out in the table below is the share of the top 10 (ten) and top 5 (five) customers in our revenue from operations for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Name of Products	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations
Top 5 customers	99.22	74.16	471.50	76.52	508.38	95.55	501.43	98.41
Top 10 customers	115.44	86.28	558.20	90.59	527.05	99.06	506.88	99.48

*\*As certified by our Statutory Auditors, SGS & Company, Chartered Accountant, vide their certificate November 23, 2024*

#### *Diversified Product Portfolio*

We have a diversified product portfolio, which we keep developing as per the requirements of our customers from time-to-time using our deep knowledge of narrow fabrics thus, continuously focus on enhancing the products that we manufacture. For instance, we manufacture technical textile namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords. Presently, we deal in a range of quality products used in manufacturing of garment, luggage, automobile, pets, footwear, home textiles and packaging.

#### *Enhance value addition in existing products and development of new products.*

With the commencement of the production process in Unit II, our Company will enter into manufacturing of polypropylene multifilament yarn which is one of the key raw materials for the manufacturing of our products. Further, our Company will also be able to sell polypropylene multifilament yarn to various customers across India. Manufacturing of yarn will help our Company in reducing the cost of transportation on yarn purchase, improve efficiency and increase overall product margin.

#### *Strong manufacturing base*

Our Company operates from its manufacturing facilities located at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, Pin 678508, Kerala, which is spread over an area of 10,268.8 Sq. ft. ("**Unit-I**"). Our Unit-I have an installed capacity of 190 MTPA for manufacturing of narrow fabrics with elastic and non-elastic properties. Our Unit-I employs 32 workers as on October 31, 2024. Of the total work force of 35 people as on October 31, 2024, over 23 are women from the nearby villages.

For details of qualitative factors, see "**Our Business-Our Competitive Strengths**" on page 119.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements for the three months period ended June 30, 2024, the Financial Year ended March 31, 2024, Financial Year ended March 31, 2023 and for the

Financial Year ended March 31, 2022. Some of the quantitative factors which form the basis or computing the price, are as follows:

### 1. Basic and Diluted Earnings per Share (EPS)

Particulars	Pre-Bonus		Post-Bonus*	
	Basic EPS and Diluted EPS	Weights	Basic EPS and Diluted EPS	Weights
March 31, 2022	43.62	1	4.36	1
March 31, 2023	47.62	2	4.76	2
March 31, 2024	42.07	3	4.21	3
<b>Weighted Average</b>	<b>44.18</b>		<b>4.42</b>	
For three months period ended June 30, 2024#	<b>5.11</b>		<b>0.51</b>	

\*The Company issue bonus Equity Shares in the ratio of 9 Equity Shares for every one Equity Shares vide shareholders resolution dated July 22, 2024

#Not annualised

Note.

- The face value of each Equity Share is ₹ 10.
- Basic and diluted Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable and based on the Restated Financial Statement of our Company.
- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no. of equity shares outstanding during the year /period as per Restated Financial Statement
- Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e. (EPS \*Weights) for each year / Total Weights]
- The above statement should be read with significant accounting policies and notes on Restated Financial Statement as appearing in the Restated Financial Statements.

### 2. Price to Earnings (P/E) ratio in relation to Issue Price ₹ 62 per Equity Share of ₹ 10 each fully paid up

Particulars	P/E ratio (Pre-bonus)	P/E ratio (Post-bonus)
P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2024	1.47	14.73
P/E ratio based on weight average	1.45	14.51
<b>Industry Peer Group P/E ratio*</b>		
Highest*	40.47	NA
Lowest*	9.76	NA
Average*	21.31	NA

Source: BSE and NSE Website

The figures for the peer group are for the year ended March 31, 2024 and are based on their respective standalone and consolidated financial statements, as the case may be filed with Stock Exchange. CMP of the peer group is as per the closing price as on November 22, 2024 as available on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

### 3. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per Restated Financial Statements:

Particulars	RoNW	Weights
March 31, 2022	77.69%	1
March 31, 2023	51.61%	2
March 31, 2024	31.32%	3
<b>Weighted Average</b>	<b>45.81</b>	
For three months period ended June 30, 2024*	3.67	

\*Not annualised

Note: Return on Net worth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / Net worth as restated as at year/period end.

- 2) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
- 3) *Net worth means the aggregate value of the paid-up equity share capital share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

#### 4. Net Asset Value (NAV)

Particulars	Pre Bonus (₹)	Post Bonus (₹)
Net Asset Value per Equity Share as of for the three months ended June 30, 2024	139.44	13.94
Net Asset Value per Equity Share for the Fiscal 2024	134.33	13.43
Net Asset Value per Equity Share after IPO	28.39	
Issue Price per equity share	62.00	

Notes:

- (i) *Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of the financial period/year divided by the number of Equity Shares outstanding during the year /period as per Restated Financial Statement.*
- (ii) *Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of the financial period/year divided by the number of Equity Shares post the impact of bonus of shares.*
- *“Net worth means the aggregate value of the paid-up equity share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

#### 5. The Issue price is 6.2 times of the face value of the Equity Shares

The Issue Price of ₹62.00 per Equity Share has been determined by the Company in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Financial Statement*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 22, 114, 161 and 207 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

#### 6. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

Companies	CMP	EPS (Basic in ₹)	EPS (Diluted in ₹)	PE Ratio	RONW (%)	NAV (Per Share)	Face Value (in ₹)
Max Supreme Textiles Limited	62.00*	4.21**	4.21**	14.73	31.32	13.43*	10.00
<b>Peer Group</b>							
Garware Technical Fibers Limited	4600.00	96.60	96.60	40.47	15.98%	604.35	10.00
Sanrhea Technical Textile Limited	155.00	10.40	10.40	13.69	24.28%	42.84	10.00
Shri Techtex Limited	58.80	5.48	5.48	9.76	14.64%	33.62	10.00

Source: All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports/financial results as available of the respective company for the year ended March 31, 2024 submitted to stock exchanges or on company’s website as available on [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

\*Issue price of our Company is considered as CMP. To be decided upon finalization of the Issue price.

\*\* EPS considered after giving post bonus effect

Notes:

- a) *The figures Max Supreme Textiles Limited are based on the Restated Financial Statements for the period ended March 31, 2024.*
- b) *The figures for the peer group are for the year ended March 31, 2024 and are based on their standalone financial statements filed with Stock Exchange.*

- c) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.
- d) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on November 22, 2024, sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.
- e) RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

## 7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the members of the Audit Committee pursuant to their resolution dated September 28, 2024. Further, the Audit Committee has on September 28, 2024, taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other KPIs during the three years preceding this Draft Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price have been disclosed below. Additionally, the KPIs have been certified by our Statutory Auditors- M/s. SGS & Company, Chartered Accountants, vide their certificate dated November 23, 2024, and has been included in "**Material Contracts and Documents**" for Inspection on page 294.

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our Company. The KPIs herein have been certified by Statutory Auditor, M/s. SGS & Company, Chartered Accountants, by their certificate dated November 23, 2024

The KPIs of our Company have been disclosed in "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**" 114 on pages and 207 respectively.

### Comparison of KPIs based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business, in the financial years ended March 31, 2024, March 31, 2023, March 31, 2022 and the three months period ended June 30, 2024.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### Key Performance Indicators of our Company -

(₹ in lakhs unless stated)

Particulars	For the three months period ended June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Revenue from Operations (₹ in lakhs) <sup>(1)</sup>	133.80	616.21	532.06	509.52
Growth in Revenue from Operations (%) <sup>(2)</sup>	NA	15.82	4.42	NA
EBITDA (₹ in lakhs) <sup>(3)</sup>	33.11	260.67	290.10	193.73
EBITDA Margin (%) <sup>(4)</sup>	24.75	42.30	54.52	38.02
Restated Profit After Tax (₹ in lakhs)	20.44	168.28	190.47	138.72
PAT Margin (%) <sup>(5)</sup>	15.28	27.31	35.80	27.23
Net Worth (₹ in lakhs) <sup>(6)</sup>	557.75	537.31	369.03	178.56
Capital Employed (₹ in lakhs)	1134.78	1085.28	625.35	274.50
ROE (%) <sup>(7)</sup>	0.40	0.37	0.70	1.50
ROCE (%) <sup>(8)</sup>	0.02	0.20	0.40	0.63

Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.



(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

(3) EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost – Other Income

(4) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations

(5) PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth / shareholders equity means the aggregate value of the paid-up equity share capital share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

(7) Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by average shareholders equity.

(8) Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.

-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.

-Capital Employed is calculated as networth less intangible asset plus total borrowings and deferred tax liabilities

Explanation of KPI Metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for respective periods
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business
Net worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders 'funds.
RoCE%	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

## 8. Comparison with industry peers

While our listed peers (mentioned below), like us, operate in the same industry and may have similar offerings or end use applications, they derive significant portion of revenue. Our business may be different in terms of differing business models (for example –focus on Business Support Services which might not be an area of focus for our listed peers), different product verticals serviced or focus areas or different geographical presence.

(₹ in lakhs unless stated)

Particulars	Garware Technical Fibers Limited			Sanrhea Technical Textile Limited			Shri Techtex Limited		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	1,27,992.34	1,25,361.68	1,17,605.46	6,803.76	6,261.54	6,830.58	7,637.60	5,692.39	5,117.63
Growth in Revenue from Operations <sup>(2)</sup>	2.10%	6.60%	NA	8.66%	-8.33%	NA	34.17%	11.23%	NA
EBITDA <sup>(3)</sup>	25,748.87	21,297.62	21,639.46	850.91	533.62	790.25	1,948.63	1,250.78	1,226.21

Particulars	Garware Technical Fibers Limited			Sanrhea Technical Textile Limited			Shri Techtex Limited		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
EBITDA Margin% <sup>(4)</sup>	20.12%	16.99%	18.40%	12.51%	8.52%	11.57%	25.51%	21.97%	23.96%
PAT	19,685.35	15,907.01	16,073.06	520.06	254.09	447.23	1,227.63	910.63	826.56
PAT Margin % <sup>(5)</sup>	15.38%	12.69%	13.67%	7.64%	4.06%	6.55%	16.07%	16.00%	16.15%
Net Worth <sup>(6)</sup>	1,23,156.03	1,02,621.30	99,624.13	2,142.10	1,679.28	1,362.11	8,388.00	3,011.61	2,100.99
Capital Employed <sup>(9)</sup>	1,38,104.09	1,18,571.44	1,10,516.38	2,745.44	2,378.51	2,230.62	9,657.00	6,239.01	4,573.84
RoE% <sup>(7)</sup>	15.98%	15.50%	16.13%	24.28%	15.13%	32.83%	14.64%	30.24%	39.34%
RoCE % <sup>(8)</sup>	19.87%	18.44%	19.95%	27.85%	18.56%	32.40%	19.91%	19.90%	25.80%

Source: All the financial information for listed industry peers mentioned above is on a standalone basis, unless specified and is sourced from the annual reports/ financial results and other publicly available information of the respective company

## 9. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (Equity or convertible securities) excluding shares issued under the ESOP/ESOS and issuance of Equity Shares pursuant to a bonus issue during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-transaction capital before such transactions excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Transactions**”)-NA
- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity or convertible securities) involving any of the Promoter/ Promoter Group entities, members of the Promoter Group or Shareholders with right to nominate director(s) in the Board of the Company (excluding gifts), during the 18 months preceding the date of filing of this Draft Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Secondary Transactions**”).

Date of Transfer	Name of Transferor	Name of Transferee	No. Equity Shares Allotted / Transferred (A)	Face value per Equity Share (₹)	Price per Security (₹)	Nature of transaction	Nature of consideration	Total consideration (in ₹) (B)
December 12, 2023	Gangadharan Jyothi	Biju Uthuppu	3,800	10	621	Sale	Cash	23,59,800
December 12, 2023	Gangadharan Jyothi	Kurian Koodarathil Uthuppu	36,000	10	621	Sale	Cash	2,23,56,000
December 12, 2023	Pooja Mohan	Biju Uthuppu	24,300	10	621	Sale	Cash	1,50,90,300
December 12, 2023	Pooja Mohan	Biju Uthuppu	20,000	10	621	Sale	Cash	1,24,20,000
December 12, 2023	Mani Sajumohan	Biju Uthuppu	50,243	10	621	Sale	Cash	3,12,00,903
<b>Total</b>			<b>1,34,343</b>					<b>8,34,27,003</b>
<b>Weighted average cost of acquisition (in Rupees) [(B)/(A)]</b>								<b>621.00</b>

- c) Since there are eligible transactions of our Company reported above in accordance with paragraph (9)(K)(4)(b) of the Schedule VI of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Prospectus has not been computed.
- d) Weighted average cost of acquisition and Issue Price

Based on the transaction described in (a), (b) and (c) above, the weighted average cost of acquisition, as compared with the Issue Price is set forth below:

Period	Weighted average cost of acquisition per Equity Share (in ₹) <sup>^</sup> %*	Issue Price is “x” times the weighted average cost of acquisition*
a) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/promoter group entities or shareholder(s) having the right to nominate director(s) in the Board area party to the transaction, during the 18 months preceding the date of filing of this Draft Prospectus, where either acquisition nor sale is equal to or more than five percent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	621.00	0.10
Since there are eligible transactions of our Company reported in (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Prospectus has not been computed	NA	NA
<b>Type of transactions</b>	<b>WACA (in ₹)</b>	<b>Issue Price (in ₹)</b>
(a) WACA*of Equity Shares based on primary issuances undertaken during the three immediately preceding years	NA	NA
(b) WACA*of Equity Shares based on secondary	NA <sup>^</sup>	NA <sup>^</sup>

Period	Weighted average cost of acquisition per Equity Share (in ₹) <sup>^%*</sup>	Issue Price is “x” times the weighted average cost of acquisition*
transactions under taken during the three immediately preceding years		

<sup>^</sup> Since, there were secondary sales / acquisition of Equity Shares (equity/ convertible securities) transactions in last 18 months from the date of this Draft Prospectus, the detail as required under paragraph 8(c) above is not applicable.

\* To be updated at Prospectus stage.

10. The Issue Price is 6.2 times of the face value of the Equity Shares.

The Issue Price of ₹ 62.00 has been determined by our Company in consultation with the LM and is justified in view of the above qualitative and quantitative parameters.

The trading price of Equity Shares could decline due to factors mentioned in “**Risk Factors**”, on page 22, and you may lose all or part of your investments, Applicants should read the above-mentioned information along with “**Our Business**”, “**Restated Financial Statements**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on pages 114, 161 and 207, respectively, to have a more informed view before making an investment decision.

## STATEMENT OF TAX BENEFITS

To

**The Board of Directors**

**Max Supreme Textiles Limited**

10/1051, Ayyappanpara, Thevarmani chathamangalam PO,

Nemmara, Chathamangalam, Palakkad,

Chittur, Kerala, India, 678508.

Dear Sir,

**Subject: Statement of possible tax benefits ('the Statement') available Max Supreme Textiles Limited ('the Company') and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ('the Regulation')**

We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by the Company, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ("the Act") as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), as amended by the Finance Act 2024 circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the "Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in the future;
  - ii) the conditions prescribed for availing the benefits have been / would be met; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/ Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For and on behalf of,

**SGS & Company**

**Chartered Accountants**

**FRN: 009889S**

-Sd-

**CA Geo Job**

**Partner**

**Membership No.210057**

**Date: 23.11.2024**

**Place: Thrissur**

**UDIN: 24210057BKABWV4852**

## ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to Max Supreme Textiles Limited (the “Company”) and the Equity Shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Taxation Laws presently in force in India.

Several of these benefits are dependent on the Company / Equity Shareholders fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the Company/ shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives, the Company / shareholders may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company / shareholders will continue to obtain these benefits in present or future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

In view of the individual nature of the tax consequences and the changing tax laws, investors are advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising investors to invest money or not to invest money based on this statement.

The statement below covers only certain relevant direct tax benefits and indirect tax benefits and does not cover benefits under any other law.

The statement outlined below is based on the provisions of the Taxation Laws relevant to the Financial Year 2024-25.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

**STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY**

### I. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The statement outlined below is based on the provisions of the Income-tax Act, 1961 (‘the Act’) presently in force in India as amended by the Finance Act, 2024.

#### 1. Lower corporate tax rate under section 115BAB of the Act:

- The section 115BAB of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 15% (plus applicable surcharge and education cess<sup>1</sup>).
- In case the Company opts for the concessional income tax rate as prescribed under section 115BAB of the Act, it will not be allowed to claim any of the following deductions/ exemptions:
  - Deduction under the provisions of section 10AA of the Act (deduction for units in Special Economic Zone).
  - Deduction under clause (iia) of sub-section (1) of section 32 of the Act (Additional depreciation).
  - Deduction under section 32AD or section 33AB or section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund).
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 of the Act (Expenditure on scientific research).
  - Deduction under section 35AD or section 35CCC of the Act (Deduction for specified business, agricultural extension project).
  - Deduction under section 35CCD of the Act (Expenditure on skill development).
  - Deduction under any provisions of Chapter VI-A other than the deductions under section 80JJAA of the Act (Deduction in respect of employment of new employees) and section 80M of the Act (Deduction in respect of certain inter-corporate dividends).

---

<sup>1</sup> Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge

- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to deductions stated in above said clauses.
- The provisions of section 115JB of the Act regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAB of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.
- The option needs to be exercised qua a particular financial year (FY) in the prescribed manner on or before the due date of filing the income-tax return. The option once exercised, shall apply to subsequent FYs and cannot be subsequently withdrawn for the same or any other financial year. If the conditions mentioned in section 115BAB of the Act are not satisfied in any FY, the option exercised shall become invalid in respect of such FY and subsequent FYs, and the other provisions of the Act shall apply as if the option under section 115BAB of the Act had not been exercised.

The Company has opted for the concessional rate of tax in the return of income filed for the previous year ended March 31, 2022 relevant to the assessment year 2022-2023 and onwards.

## 2. Deductions from Gross Total Income

### *Deduction in respect of employment of new employees –section 80JJAA of the Act:*

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

### *Deduction in respect of inter-corporate dividends –section 80M of the Act:*

Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) be allowed in computing the total income, a deduction of an amount equal to dividend received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## II. POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special direct tax benefits available to the shareholders of the Company

## STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

The statement outlined below is based on Indirect tax regulations as amended from time to time and applicable for the financial year 2024-25.

### I. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

- a. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder)**

Under the Goods and Services Tax (“GST”) regime, all supplies of goods and services which qualify as exports are classified as Zero-rated supplies. Zero rated supplies are eligible for claim of GST refund under any of the two mechanisms, at the option of the Company.

The Company can either effect zero-rated supplies under Bond/ Letter of Undertaking (LUT) without payment of GST and claim refund of accumulated Input Tax Credit or effect zero-rated supplies on payment of Integrated Goods and Services Tax and claim refund of the tax paid thereof as per provisions of section 54 of Central Goods and Services Tax Act, 2017. Thus, the option of claiming refund of GST on zero rated supplies is available to the Company.



**b. Benefits under Customs Act, 1962 in conjunction with the Customs and Central Excise Duties Drawback Rules, 2017 (“Duty Drawback Rules”)**

Duty Drawback is a scheme administered by Central Board of Indirect Taxes & Customs (“CBIC”) to promote exports by providing rebates on the incidence of Customs duties, chargeable on imported material that are used as inputs for goods to be exported.

This scheme ensures that exports are zero-rated and do not carry the burden of taxes. The product exported is eligible for rebate at a percentage mentioned in duty drawback schedule. Exporters can avail of duty drawback only if they meet the procedural requirements outlined in the Duty Drawback Rules, unless exceptions are granted.

The duty drawback rates may be expressed as percentage of free on board (“FOB”) value or fixed rate on value or rate per unit quantity of export goods (weight/volume basis).

Company has received duty draw back for the year ended 31, March 2023 and for the period ended June 30,2024 and no duty drawback was received for the year ended 31, March 2024

**c. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023-28)**

**i. Remission of duties and taxes on Exported Products (RoDTEP)**

Remission of duties and taxes on Exported Products (RoDTEP) scheme incentives are given at a specified rate, ranging between 0.5 percent to 4 percent, on the free on board value of the exported goods. The incentives awarded to exporters are issued in the form of duty credit/electronic scrip. These duty credit scrips are freely transferable and can be used for the payment of Custom Duty. The Company is entitled to avail the benefits of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme.

The Company has received Duty Credit Scrip for the year ended 31, March 2023.

**II. POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

There are no special indirect tax benefits available to the shareholders of the Company.

**NOTES:**

1. We have not considered general tax benefits available to the Company or its shareholders. The above Statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
2. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
3. This statement does not discuss any tax consequences in the hands of the Company on account of holding shares, securities, interest, outside India

For and on behalf of,  
**SGS & Company**  
**Chartered Accountant**  
**FRN: 009889S**

-Sd-

**CA Geo Job**  
**Partner**  
**Membership No.210057**  
**Date: 23.11.2024**  
**Place: Thrissur**  
**UDIN: 24210057BKABWV4852**

## SECTION V: ABOUT THE COMPANY

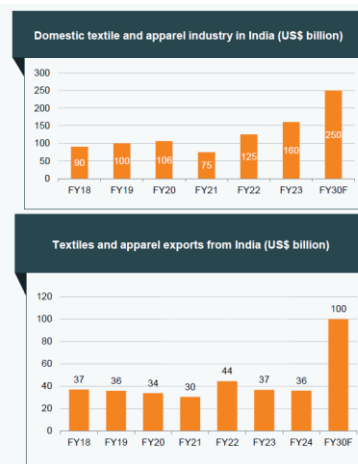
### INDUSTRY OVERVIEW

Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this section is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.

Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see **“Presentation of Financial, Industry and Market Data”** on page 15.

#### 1. Introduction:

- The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030.
- Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.
- India is the world’s second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4.6% share of the global trade in textiles and apparel. India is the world’s 3rd largest exporter of Textiles and Apparel.
- The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports.
- The textile industry has around 45 million workers employed in the textiles sector, including 3.5 million handloom workers.
- India is the world’s 3rd largest exporter of Textiles and Apparel.
- The textile sector is expected to play a significant role, with a target of US\$ 100 billion in exports by FY30, up from US\$ 34.43 billion in FY24.
- The amount of Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.
- India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 65 billion by FY 2026.



Notes: F - Forecast

Source: Ministry of Textiles, Make in India, Technopak, Annual Report on Indian textile and Apparel industry - Wazir Advisors

#### 2. Advantage to India

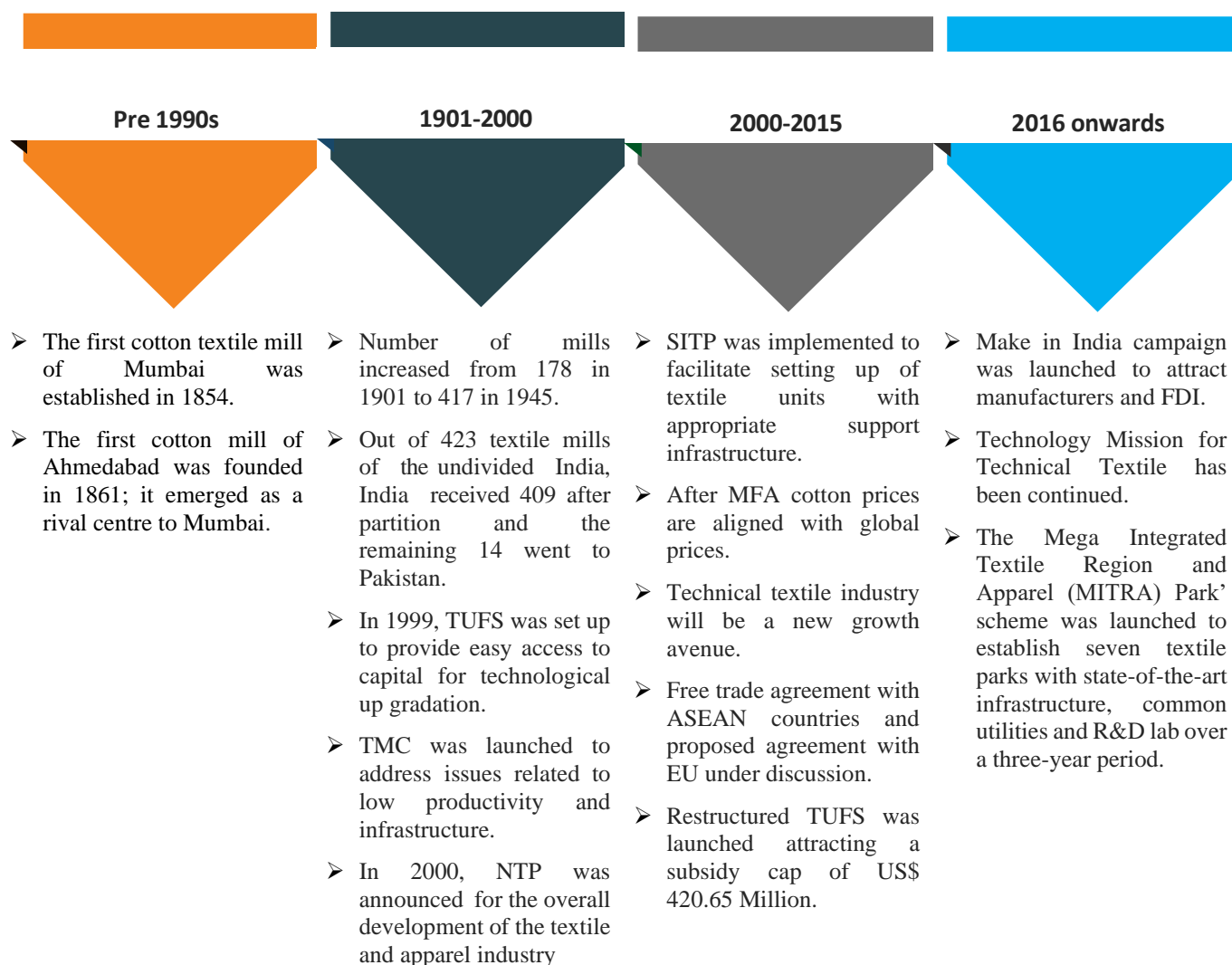
1. Competitive Advantage

4. Robust Demand

<ul style="list-style-type: none"> <li>➤ Abundant availability of raw materials such as cotton, wool, silk and jute.</li> <li>➤ India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.</li> <li>➤ In July 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, stated that the mantra of 5 F's - Farms to Fibre to Fabric to Fashion to Foreign export – will help make India a strong textile brand globally.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.</li> <li>➤ Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.</li> <li>➤ In FY25 (April-June), exports of readymade garments including accessories stood at US\$ 2,244 million. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.</li> <li>➤ Mr. Piyush Goyal discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.</li> </ul>
<div style="background-color: #444; color: white; padding: 5px; margin-bottom: 10px;"><b>2. Policy Support</b></div> <ul style="list-style-type: none"> <li>➤ 100% FDI (automatic route) is allowed in the Indian textile sector.</li> <li>➤ Under Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million).</li> <li>➤ The government is planning to set up 12 new industrial parks and 5-6 mega textile parks mentioned by Minister of Commerce and Industry Mr. Piyush Goyal announced. He also urged the private sector to capitalize on these initiatives.</li> <li>➤ In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated. 1,83,844 beneficiaries trained across 1,880 centres under Samarth</li> </ul> <p><i>Source: DPIIT, Bombay Stock Exchange</i></p>	<div style="background-color: #f4a460; color: white; padding: 5px; margin-bottom: 10px;"><b>3. Increasing Investments</b></div> <ul style="list-style-type: none"> <li>➤ In order to attract private equity (PE) and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.</li> <li>➤ Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000-March 2024.</li> </ul>

### 3. Market Overview

#### Evolution of the Indian textile sector

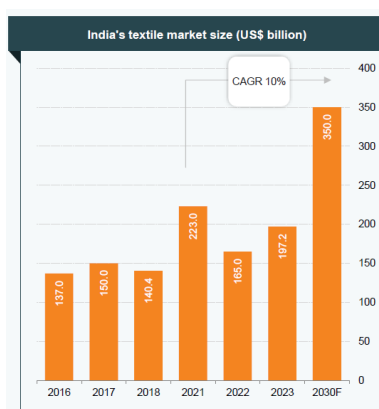


Note: NTP - National Textile Policy; ASEAN - Association of Southeast Asian Nations, TUFS - Technology Upgradation Fund Scheme; TMC Technology Mission on Cotton, EU - European Union

Source: Union Budget 2021-22, News Articles

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## The sector has been posting strong growth over the years:



Note: F - Forecasted

Source: Make in India, News Articles, Ministry of Textiles

- The size of India's textile market stood at US\$ 223 billion in 2021, growing at a CAGR of 10.23% from 2016
- The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.
- The Indian textiles market is expected to be worth >US\$ 350 billion by 2030.
- India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.
- In December 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In September 2021, the government approved a Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India.
- Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024-25 to 2028-29. The scheme proposes to incentivise MMF (manmade fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

### **Raw cotton and man-made fibre production increasing**

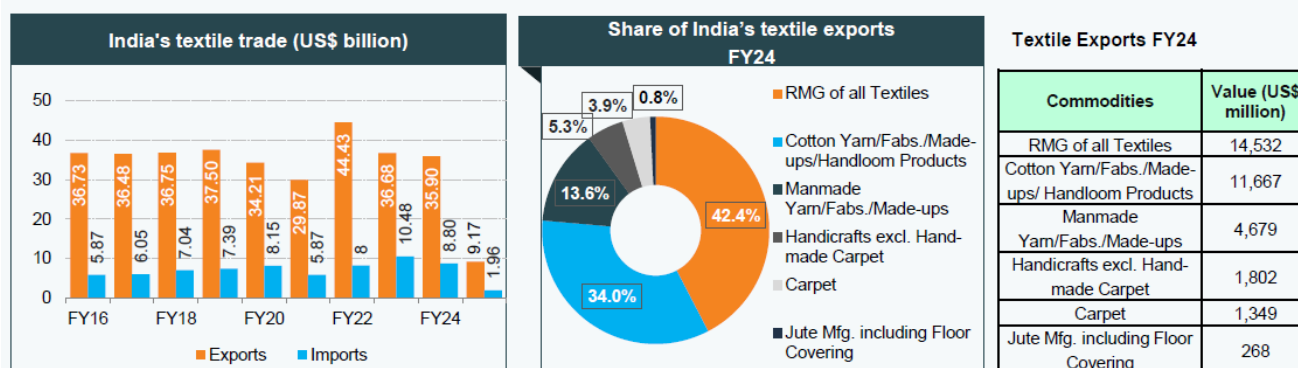
- India is the world's largest producer of cotton. Agriculture ministry projected cotton output for 2023-24 at 32.3 million bales.
- Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.
- The cotton production in 2023-24 is estimated to be 316.57 lakh bales (LB) with 75.76 LB in Maharashtra, 19.29 LB in Karnataka and 15.64 LB in Madhya Pradesh.
- According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.
- Cotton and fibres are the two major segments in this category. Production of man-made fibre has also been on an upward trend.
- In 2022-23, the production of fibre in India stood at 2.15 million tonnes.



Note: Expected data

Source: The Cotton Corporation of India Ltd, BusinessLine, Department of Agriculture Cooperation & Farmers Welfare

### Export have posted strong growth over the years

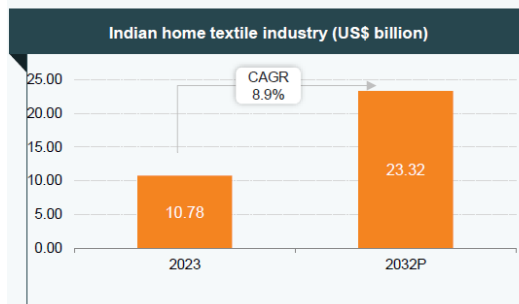


Note: RMG – Readymade Garments; imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fab / made-ups/handloom products, manmade yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets, jute mfg. including floor coverings, \*- April- June

Source: Ministry of Textiles

- In FY25 (April- June) the total exports of textiles stood at US\$ 9.17 billion.
- Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 9.17 billion in FY25 (April-June).
- India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.
- In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.
- In August 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, said that steps need to be taken to boost production capacities of the handloom sector from existing Rs. 60,000 crore (US\$ 8.06 billion) to 125,000 crore (US\$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crore (US\$ 335.92 million) to Rs. 10,000 crore (US\$ 1.34 billion). He also announced that a committee would be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stakeholders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.

### Home textiles racing on favourable economic conditions



Note: E – Estimates, \* - CY22

Source: Ministry of Textiles, Welspun Presentation

- The Indian home textiles exports spurred from US\$ 5.3 billion in CY17 to US\$ 8 billion in CY22 at a CAGR of 7.1%.
- India’s home textile industry expanded at a CAGR of 8.9% during 2023-32 and reached US\$ 23.32 billion in 2032 from US\$ 10.78 billion in 2023.
- India accounts for 4% of the global home textiles trade. The growth in home textiles is driven by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.
- India’s home textile exports increased at a healthy rate of 9% in FY21, despite the pandemic.
- Indian textile players have undertaken various initiatives to boost textile sales.
- In May 2021, Indo Count Industries Ltd. (ICIL), announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- For FY22, Welspun India has set aside Rs. 600 crore (US\$ 80.62 million) for capital expenditure to complete expansion projects in its flooring, advanced textile and home textile business verticals.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL), announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company’s sustainable textiles business.

**Technical textile industry - a new arena of growth**

- Technical textiles have been grouped into 12 categories: Agrotech, Meditech, Mobiltech, Packtech, Sportech, Buildtech, Clothtech, Homotech, Protech, Geotech, Oekotech and Indutech.
- Ministry of Textiles, has sanctioned 19 research projects totaling approximately Rs. 21 crore (US\$ 2.52 million) across various domains of Technical Textiles under the National Technical Textiles Mission.
- Technical textile industries’ major service offerings include thermal protection and blood-absorbing materials, seatbelts and adhesive tapes. Healthcare and infrastructure sectors are two major drivers of the technical textile industry.
- The Government has assigned 207 Harmonized System Nomenclature (HSN) to promote India’s technical textile industry. As of November 2021, 377 technical textile products were developed according to the Bureau of Indian Standards (BIS).
- Under National Technical Textile Mission (NTTM), 74 research proposals valuing US\$ 28.27 million (Rs. 232 crore) have been approved in the category of speciality fibre and technical textile. 31 new HSN codes have been developed in this space.

- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. And MBA courses in technical textiles.
- The Indian government has notified a uniform GST rate of 12% on man- made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect on January 1, 2022.
- The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and the 5th largest technical textiles market in the world.
- India’s sportech industry is estimated around US\$ 1.17 million in 2022-23.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated to research and development of the technical textiles sector.
- Government introduced six additional courses for technical textiles in its skill development programme called Samarth.
- Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

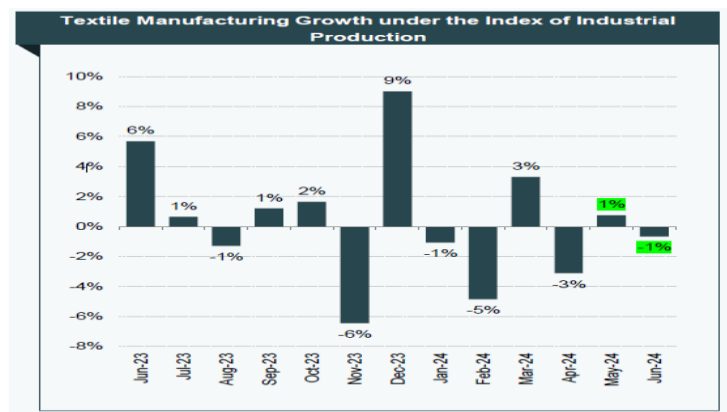
Note: SME - Small and Medium Enterprises, E - Estimates; Figures mentioned are as per the latest data available

Source: Chamber of Commerce, Indian Technical Textile Association, Baseline Survey

#### 4. Recent Trends and Strategies

##### Steady recovery in textile manufacturing to aid growth

- Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of June 2024 is 106.
- The seven mega textile parks announced in the Union Budget 2022-23 should attract investments.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- While the government is working towards upliftment of technical and MMF textile companies by upscaling its infrastructure, it is also interesting to note that textile will be added to the educational curriculum in the near future.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.



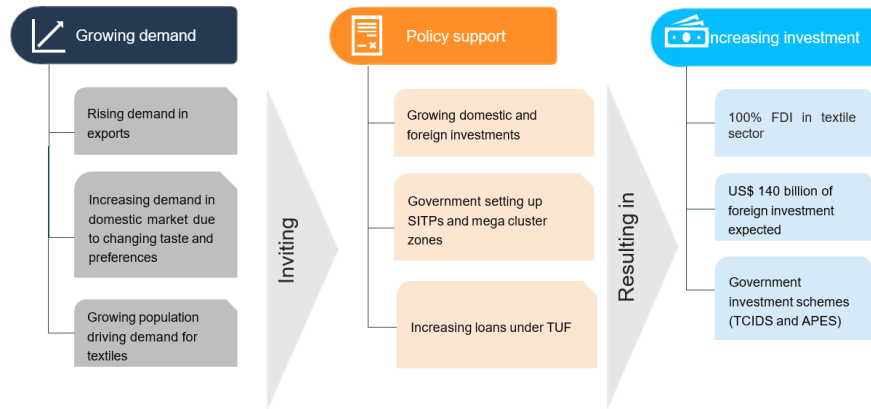
Note: Index of Industrial Production (IIP) is a composite indicator of the changes in the volume of production in a chosen base period (say 2011-2012).

Source: Ministry of Statistics and Program Implementation

#### 5. Growth Drivers

##### Strong fundamentals and policy support aiding growth

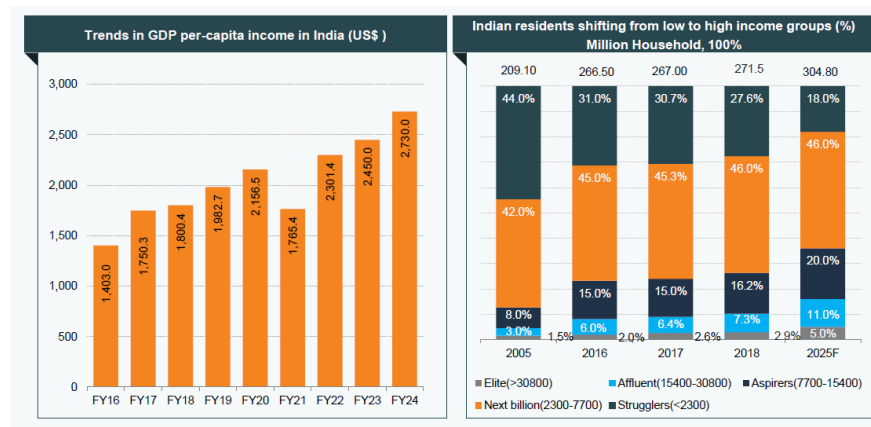




Note: CIDS - Textile Center Infrastructure Development Scheme, APES - Apparel Park for Exports Scheme

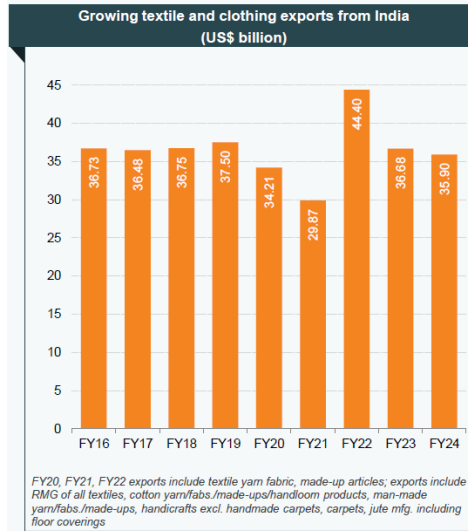
Source: Ministry of Textiles

**Rising incomes and a growing middle-class drive the demand:**



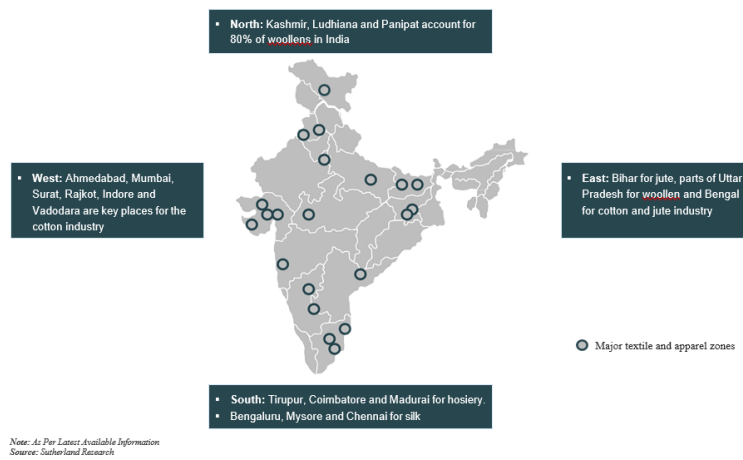
Source: IMF, McKinsey Global Institute; F-Forecast

- Rising income has been a key determinant of domestic demand for the sector; with income rising in the rural economy as well. The upward push on demand from rising income is set to continue.
- India's per capita income is likely to grow by nearly 70% to US\$ 4,000 by FY 2030 from US\$ 2,450 in fiscal 2023
- Rising industrial activity would support the growth in per capita income.
- India is the world's second-largest textile exporter. Capacity built over years has led to low cost of production per unit in India's textile industry. This has lent a strong competitive advantage to the country's textile exporters over key global peers.
- During FY24, the total exports of textiles stood at US\$ 35.9 billion.
- The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.
- The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.
- In the coming decade, Africa and Latin America could very well turn out to be the key markets for Indian textiles.
- In July, India witnessed a 4.73% growth in its textile and apparel exports, amounting to US\$ 2,937.56 million. This increase was primarily fueled by a rising demand for apparel, especially from the United States, European Union, and United Kingdom. The Confederation of Indian Textile Industry (CITI) anticipates continued expansion in the forthcoming months.



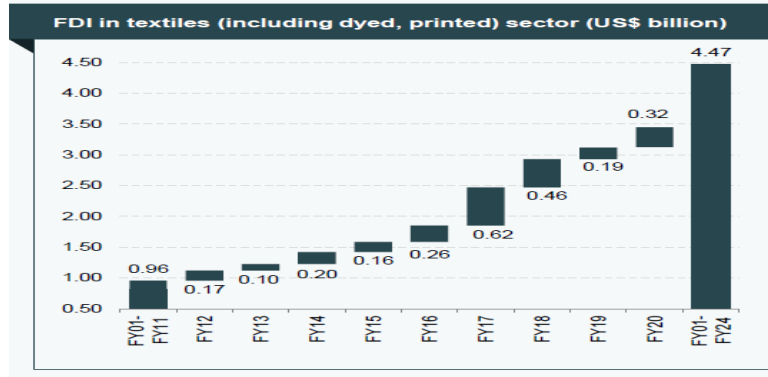
Source: Ministry of Textiles, Budget 2023-24, News Articles, Indian Technical Textile Association (ITTA)

### Key textiles and apparel zones in India



### Foreign investment flowing into the sector

- 100% FDI is permitted in the sector. Cumulative FDI inflows in the textiles sector (including dyed and printed textiles) stood at US\$ 4.47 billion between April 2000- March 2024.
- The textiles industry in India is experiencing a significant increase in collaboration between global majors and domestic companies.
- International apparel giants like Hugo Boss, Liz Claiborne, Diesel and Kanz have already started operations in India.
- In April 2021, South Korea's textile major Youngone announced that it will start its operations within six months at Kakatiya Mega Textile Park in Warangal, providing employment to 12,000 people in the region.



**Note:** Textiles sector FDI includes Dyed and Printed, FDI - Foreign Direct Investment

**Source:** Ministry of Commerce and Industry, DPIIT

(Source: <https://www.ibef.org/>)

## OUR BUSINESS

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 14 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Restated Financial Statement**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 22, 161 and 207, respectively of this Draft Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “**Risk Factors**”, “**Restated Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 22, 161 and 207 respectively of this Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “Max Supreme Textiles Limited”, ‘the Company’, ‘our Company’, ‘MAX’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to “Max Supreme Textiles Limited.

### BACKGROUND

Our Company was incorporated on January 13, 2021 as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 14, 2021, issued by the Registrar of Companies, Registrar of Companies, Ernakulam, Kerala. Subsequently, the name of our Company was changed from "Max Supreme Textiles Private Limited" to "Max Supreme Textiles Limited ", pursuant to conversion from private to public company and a fresh certificate of incorporation dated February 28, 2024 issued by the Registrar of Companies, Ernakulam, Kerala.

Incorporated in 2021, we are engaged in the manufacturing of technical textiles namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords. These narrow fabrics have elastic and non-elastic properties. Our products find application across varied industries such as garment, luggage, automobile, pet care, footwear, healthcare, home textiles and packaging. We have catered to over 47 customers, 68 customers, 17 customers and 20 customers during the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

As a B-2-B company, over the years we have expanded our product category and have developed a varied customer base which helps in the promotion and sale of our products. Our customers are contract manufacturers associated with renowned brands, brand owners i.e. original product manufacturers and domestic traders. For instance, over the years we have established long-standing relationship with contract manufacturers that contributes 4.80 %, 55.78%, 75.98% and 84.78% to our revenue from operations for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Further, as on three months period ended, we had more than 15 domestic traders.

We supply our narrow fabrics based on precise specifications of our customers across India and also in the overseas market. During the Fiscal 2024, we exported our products to 6 countries such as, USA, Slovenia, Vietnam, China, Sri Lanka, and Bangladesh. Set out in the table below is a break-up of our revenue from domestic sales and export sales for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

(₹ in lakhs)

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of revenue from operations	Revenue	% of revenue from operations	Revenue	% of revenue from operations	Revenue	% of revenue from operations
Exports	0.00	0.00	299.25	48.56	438.54	82.42	476.87	93.59
Domestic	133.80	100.00	316.95	51.44	93.52	17.58	32.64	6.41
<b>Total</b>	<b>133.80</b>	<b>100.00</b>	<b>616.21</b>	<b>100.00</b>	<b>532.06</b>	<b>100.00</b>	<b>509.52</b>	<b>100.00</b>

\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024

We have a well-equipped manufacturing facility situated at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, Pin 678508, Kerala, India (“Unit-I”). Our Unit-I is equipped with semi-automated machines for manufacturing of technical textile namely, elastic and non-elastic based narrow fabrics. Over the years, our Company has scaled up its production and as on date of this Draft Prospectus our Unit-I comprises of 18 looms with an installed capacity for manufacturing of 190 MTPA of narrow fabrics.

In addition to our existing manufacturing facility, we are proposing to set up a new manufacturing facility (“Unit-II”) for the manufacturing of polypropylene multifilament (“PPMF”) yarn and narrow fabrics which will result in increase of our manufacturing capacity, diversification of our product portfolio and backward integration. Our Unit-II is situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kakkode, Nemmara, Palakkad, 678508, Kerala, India which is within 6 km radius of our Unit-I. Further, we propose to utilize a portion of the Net Proceeds from this Issue towards purchase of additional machinery and the construction of new office building at our Unit-II. Our facilities are supplemented by our utilities, such as water, power, etc.

We continuously engage in product development based on the sample specifications received from our existing and potential customers. Our quality control and quality assurance team carry out various technical and manual tests to our finished products to ensure they do not suffer rejections, thereby ensuring defect free quality products for our customers and generating value for us. Further, we also undertake product testing especially, durability testing from third-party accredited lab. Our quality assurance and quality control department has enabled us to expand our business in domestic and international market. The narrow fabrics manufactured by us have been used by our customers across industries.

Polyester yarn, polypropylene multifilament yarn, and rubber threads are the main raw materials required for our manufacturing operations. We procure these primary raw materials from OEKO-Tex accredited local yarn manufacturing facility thus, ensuring the quality of raw materials. Further, we procure our raw materials as per our specifications or those of our customers. The cost of materials consumed (including purchase of stock in trade) by us in our operations accounted for 88.58%, 39.81%, 18.61% and 20.85% of our revenue from operations for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

Our Promoters, Mani Sajumohan and Gangadharan Jyothi have over a decade of experience in the textile industry. Our Promoter and Chairman & Managing Director, Mani Saju Mohan has been responsible for product development and augmenting relationships with various stakeholders which has helped our Company expand its product portfolio on a continuous basis. Prior to the incorporation of our Company, our Promoters, Mani Sajumohan and Gangadharan Jyothi were engaged in the business of manufacturing of technical textiles namely, narrow fabrics. For further details, see “*Our Promoters and Promoter Group*” on page 155. Our Promoters share various functional responsibilities amongst themselves for effective management and are also well supported by experienced staff at different levels. As on October 31, 2024, our overall staff strength is 35 employees including skilled and unskilled labour and administrative staff.

The scale of our operations and vast distribution network along with our customers’ confidence have had a significant impact on our revenues and profitability. Set out below are a few key performance indicators:

(₹ in lakhs, unless stated otherwise)

Particulars	For the three months period ended June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Revenue from Operations (₹ in lakhs) <sup>(1)</sup>	133.80	616.21	532.06	509.52
Growth in Revenue from Operations (%) <sup>(2)</sup>	NA	15.82	4.42	NA
EBITDA (₹ in lakhs) <sup>(3)</sup>	33.11	260.67	290.10	193.73
EBITDA Margin (%) <sup>(4)</sup>	24.75	42.30	54.52	38.02
Restated Profit After Tax (₹ in lakhs)	20.44	168.28	190.47	138.72
PAT Margin (%) <sup>(5)</sup>	15.28	27.31	35.80	27.23
Net Worth (₹ in lakhs) <sup>(6)</sup>	557.75	537.31	369.03	178.56
Capital Employed (₹ in lakhs)	1134.78	1085.28	625.35	274.50
ROE (%) <sup>(7)</sup>	0.40	0.37	0.70	1.50
ROCE (%) <sup>(8)</sup>	0.02	0.20	0.40	0.63

(1) See “Management’s Discussion and Analysis of Financial Condition and Result of Operations—Key Performance Indicators of our Company” on page 213 for the definitions and the manner of calculation of EBITDA, EBITDA Margin, PAT Margin, RoE and RoCE.

## OUR PRODUCTS

### Brief description

We are engaged in the business of manufacturing of technical textile namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords which are used in the manufacturing of garment, luggage, automobile, pet care, footwear, healthcare, home textiles and packaging.

Elastic or non-elastic fabrics are referred to as ribbons, tapes, webbing tape and are all considered as narrow fabrics if they are less than 12 inches. Further, elastic narrow fabric is typically made in widths between 1/8 inches and 12 inches wide and non-elastic fabrics include tapes, braids, and webbings typically available in widths between 1/4 inches and 6 inches. Set forth herein below is the portfolio of our products:

Product	Image	Used in manufacturing of
Webbing Tape		Bags & Luggage
Garment tape		Apparels / Garments
Polyester Piping Tapes		Bags & Luggage

<p>Pet Leash Tapes</p>		<p>Pet care</p>
<p>Mattress Tapes</p>		<p>Mattress</p>
<p>Furniture Elastics</p>		<p>Furniture</p>
	<p><i>[This space is intentionally left blank]</i></p>	

<p>Medical Webbing Tapes</p>		<p>Techno medical products</p>
<p>Elastic Bands</p>		<p>Packaging</p>
<p>Elastic Bands</p>		<p>Luggage, Belts</p>

Our narrow fabrics finds its application in the following industries: -

Luggage	Automobile	Pet Care	Footwear
Garment	Packaging	Home Textiles	Healthcare



*Industry-wise revenue from operations*

The table below sets forth the breakdown of our income from the sale of our product based on the industries we cater, and as a percentage of our revenue from operations for the periods indicated.

(₹ in lakhs)

Name of Industry	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations
Pet Care	0.05	0.03	0.97	0.16	--	--	--	--
Automobile	1.02	0.76	0.43	0.07	--	--	0.42	0.08
Healthcare	1.44	1.08	--	--	--	--	0.19	0.04
Garment	7.73	5.78	30.49	4.95	3.92	0.74	1.66	0.33
Bags & Luggage	73.28	54.77	197.83	32.10	49.56	9.31	18.88	3.71
Packaging	--	--	299.25	48.56	438.54	82.42	476.88	93.59
Traders & Others	50.28	37.58	87.23	14.16	40.04	7.53	11.49	2.26
<b>Total</b>	<b>133.80</b>	<b>100.00</b>	<b>616.20</b>	<b>100.00</b>	<b>532.06</b>	<b>100.00</b>	<b>509.52</b>	<b>100.00</b>

\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024

*Geography wise revenue from operations:*

Name of Products	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations
<b>Domestic (A)</b>								
Karnataka	55.98	41.48	126.18	20.84	73.00	13.73	7.53	1.48
Kerala	65.79	49.17	139.72	22.68	17.40	3.28	21.64	4.25
Tamil Nadu	10.13	7.57	32.70	5.30	1.74	0.33	3.47	0.68
Others	1.89	1.41	18.35	2.98	1.36	0.26	0	0.00
<b>Total (A)</b>	<b>133.80</b>	<b>100</b>	<b>316.95</b>	<b>51.44</b>	<b>93.52</b>	<b>17.6</b>	<b>32.64</b>	<b>6.4</b>
<b>Export (B)</b>								
USA	0.00	0.00	275.14	44.65	400.19	75.22	431.94	84.77
Vietnam	0.00	0.00	0.99	0.16	3.25	0.61	-	-
China	0.00	0.00	0.66	0.11	0.65	0.12	-	-
Sri Lanka	0.00	0.00	0.24	0.04	-	-	-	-
Bangladesh	0.00	0.00	0.23	0.04	0.2	0.04	-	-
Slovenia	0.00	0.00	21.99	3.57	34.25	6.44	44.94	8.82
<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>299.25</b>	<b>48.56</b>	<b>438.54</b>	<b>82.4</b>	<b>476.87</b>	<b>93.6</b>
<b>Total (A) + (B)</b>	<b>133.80</b>	<b>100</b>	<b>616.20</b>	<b>100</b>	<b>532.06</b>	<b>100</b>	<b>509.52</b>	<b>100</b>

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**OUR COMPETITIVE STRENGTHS**

*Long-standing relationship with our customers from diverse industry*

We have a well-diversified customer base across varied end-use industries such as, garment, luggage, automobile, pet care, footwear, home textiles and packaging industry within India and overseas. For the Fiscal 2024, we have sold our products in over 7 countries, including India and we have catered to 68 customers. Set out in the table below is the share of the top 10 (ten) and top 5 (five) customers in our revenue from operations for the Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Name of Products	for the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations	Revenue (₹ in lakhs)	As % of Revenue from Operations
Top 5 customers	99.22	74.16	471.50	76.52	508.38	95.55	501.43	98.41
Top 10 customers	115.44	86.28	558.20	90.59	527.06	99.06	506.89	99.48

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

Our top 10 customers include contract manufacturers namely, Cameo Bags, Zerah Solutions and brand owners namely, Malabar Bags, Kitex Limited, Akshaya rubbers, Mantax Lifestyle Private Limited, Maria Industries and domestic traders such as, Hemaratan Sale Corporation, and Marwel Marketing.

We rely on the quality of our products which we believe is reflected in our relationship with our customers. We have been associated with 3 (three) of our top 10 (ten) customers for a period of over 3 years. Our long-term association with key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and also allows us to up-sell and cross-sell our diverse range of products. For the Fiscal 2024, we supplied to customers spanning across varied end use industries and across 7 countries which mitigates both industry and geographic concentration specific risks.

As on March 31, 2024, we had 10 domestic traders, 30% such domestic traders are associated with us for more than 3 years, which was instrumental in an effective supply-chain management and helped augment our domestic sales. We believe that our long-standing relationships with such reputed third-party trader network has been possible due to the continued production of quality products. Such relationships with third-party trader network have assisted us in scaling of our business, increasing our domestic presence and has helped us enhance our goodwill.

### **Diversified Product Portfolio**

We have a diversified product portfolio, which we keep developing as per the requirements of our customers from time-to-time using our deep knowledge of narrow fabrics thus, continuously focus on enhancing the products that we manufacture. For instance, we manufacture technical textile namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes, pet leash ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords. Presently, we deal in a range of quality products used in manufacturing of garment, luggage, automobile, pets, footwear, home textiles and packaging. We specialize in manufacturing and processing of a wide range of narrow fabrics. Our Company has a varied product base to cater to the requirements of our customers. Further, with the commencement of production in our Unit-II we would also be manufacturing PPMF yarn which is one of the key raw materials for manufacturing of narrow fabrics. Further, upon the closure of the proprietorship concerns of our Promoters namely, Supreme Narrow Fabrics and Supreme Textiles pursuant to the Non-Compete, our Company would start manufacturing of knitted elastics, mask loop and lingerie elastics thus, increasing our product portfolios.

### **Strong manufacturing base**

Our Company operates from its manufacturing facilities located at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, 678508, Kerala, which is spread over an area of 10,268.8 Sq. ft. (“Unit-I”). Our Unit-I have an installed capacity of 190 MTPA for manufacturing of narrow fabrics with elastic and non-elastic properties. Our Unit-I employs 32 workers as on October 31, 2024. Of the total work force of 35 people as on October 31, 2024 over 23 are women from the nearby villages.

Further, our Company has set-up a new manufacturing facility (“Unit-II”) at SY NO 18/1-8, Block no. 55 Nemmara Village Nemmara Gram Panchayat, Chittur, Palakkad, 678508, Kerala which is close to 6 kms from our existing manufacturing facility in 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, 678508, Kerala. The Unit-II comprises of a land area of 1,62,043.20 Sq. ft. with a constructed area of 15,779.89 Sq. ft. Our Company has completed the construction of

Unit-II, comprising of two sheds for manufacturing of PPMF yarn and narrow fabrics weaving, respectively. At our Unit-II we have installed an extruder plant with a capacity of 2 tonnes per day, power equipment, solar plant, diesel generators of 82.5 kVA and 250 kVA, 1 PPMF yarn machine, 24 looms, rain water harvesting, labour quarters, etc. We have started trial-run production of PPMF yarns at our Unit-II. Our Company will utilise a portion of the Net Proceeds towards purchase of additional machinery of upto ₹104.77 lakhs and also the construction of our new office building with an estimated cost of ₹88.22 lakhs. For further details please see “*Objects of the Issue*” on page 77.

Over the years, our Company has scaled up its production capacity to 42 looms. As on March 31, 2024, our Unit-I comprises of 18 looms with an installed capacity of 190 MTPA and Unit-II comprises of 24 looms with an installed capacity of 250 MTPA of narrow fabric. Further, our Unit-II have 600 MTPA of installed capacity for manufacturing of PPMF yarn.

## **OUR STRATEGIES**

### ***Enhance value addition in existing products and development of new products.***

With the commencement of production in Unit-II, our Company will enter into manufacturing of polypropylene multifilament (“PPMF”) yarn which is one of the key raw materials for the manufacturing of our products. Further, our Company will also be able to sell PPMF yarn to various customers across India. PPMF yarn forms part of our critical raw material accordingly, manufacturing of PPMF yarn will help our Company in reducing the cost of transportation on yarn purchase, improve efficiency and increase overall product margin.

Our Company have also developed products which find application across industries such as mattresses, furniture, lingerie and sport equipment industry. As on the date of this Draft Prospectus, our potential customers have tested these samples and in some cases the samples have got approved and in other cases, we are awaiting customer feedback. Further, we are also in the process of developing products that would find its application in home textiles, industrial safety, lifting, marine, mechanical engineering and defence applications.

Further, with the closure of the business of M/s. Supreme Narrow Fabrics, proprietorship firm of our Chairman and Managing Director and M/s. Supreme Textiles, proprietorship firm of our Whole-time Director our Company will expand the product portfolio by entering into knitted elastics, mask loops and lingerie elastics.

We will continue to introduce new products depending on customer needs across our diversified product segments and also introduce process improvements as they are critical for expansion of our product portfolio, and which shall also increase our ability to cater to a more diverse consumer base. We believe a continuous review of our products according to our evolving understanding of customer preferences will help us better cater to our customers’ needs and maximise our sales.

We have an in-house team that is constantly working with a focus on increasing value-added products and utilizing the existing infrastructure to make customized made to order products which are unique in colour, property, characteristics to suit specific customer requirement. For instance, we recently introduced elastics with name of our clients brand embossed on it.

### ***Diversifying and increasing penetration in markets***

We are engaged in manufacturing of narrow fabrics for direct sale to our customers domestically and in the overseas market. The domestic and overseas market offers various opportunities in term of geographic penetration and product/ market diversification which we intend to seize and increase our market reach to explore untapped markets and segments as part of our strategy to mitigate market risk and widen growth prospects. We shall continue to explore opportunities in different countries where we can supply value added products to enhance our geographical reach. We intend to enter and capture new markets in India and increase our geographical presence and thereby increase our customer base. Enhancing our presence in additional regions will enable us to reach out to a larger market. While we have exported to China, Bangladesh, USA, Slovenia, Sri Lanka and Vietnam in the past, we intend to increase our presence in USA and Vietnam.

### ***Focus on quality***

Our Company intends to focus on adhering to the quality of our offerings. This is necessary so as to make sure that we maintain high-quality standards for our offerings and get repeat orders from our customers. For instance, repeat order from our customers for the Fiscal 2024 constituted 80-90% of our revenue from operations. This will also aid us in enhancing our brand value and further increase the business.

### ***Improve and increase operational efficiencies***

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and greater sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We will also continue to identify various

strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. For instance, during Fiscal 2024, we invested in PPMF yarn plant which resulted in backward integration by in-house manufacturing of raw material. Further, our cost of raw material will reduce significantly once we start commercial manufacturing of PPMF yarn in our Unit-II.

## OUR FACILITY

Our Company operates from its manufacturing facilities located at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, Pin 678508, Kerala, which is spread over an area of 10,268.8 Sq. ft. (“Unit-I”). Further, our Company has also built a manufacturing facility at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, NEMMARA, Palakkad, Pin 678508, Kerala, which is spread over an area of 15,779.89 Sq. ft. (“Unit-II”) over a land area of 1,62,043.24 sq. ft., which is yet to commence commercial production. Hereinafter, Unit-I and Unit-II would be collectively referred to as manufacturing facilities. Our manufacturing facilities includes various machineries which are as follows:

### Our Equipment

The details of existing plant and machineries in our manufacturing facilities are given below:

Sr. No	Description	Quantity
1.	Mask Cord Ear Loop Knitting Machine with Crill stand	2 Nos
2.	Compressor	2 Nos
3.	Elastic Joing Machine	6 Set
4.	Automatic Label Cutting Machine	1 Set
5.	Meter Panel & Change Over with SSB Pannel	2 Nos
6.	Starter Pannel	2 Nos
7.	Hoist-PA-1000 MTRS(CLIF)	1 Nos
8.	High Speed Shuttleless Narrow Fabric Needle Waving Loom Machine with back frame (Muller)	15 Set
9.	Machine KYF8/55, 12/30 Needle loom with back frame	27 Set
10.	Rubber Thread Double Covering Machine	1 Nos
11.	Vertical Spool Winder	1 Nos
12.	Tape Seperator Machine	1 Set
13.	Drive 2HP1.5KW	2 Nos
14.	62.5 KVA DG Set	1 Nos
15.	Warping Machine	4 Set
16.	Roll With Spool Winding Machine	1 Nos
17.	Fast Knit Braiding Machine with crill stand	1 Nos
18.	Festooning Machine	1 Nos
19.	Measuring Roll Winding Machine	1 Nos
20.	Braiding Machine Witth Rubber feeder	1 Set/Pcs
21.	Braiding Machine	2 Set/Pcs
22.	Automatic Winding Machine	1 Set/Pcs
23.	Rubber Feeder	5 Nos
24.	Bare Moter 5HP	1 Nos
25.	Aluminium Beam	728 Nos
26.	Aluminium Bobbin	10 Nos
27.	Beam Rodd	52 Nos
28.	Measuring & Roll Winding Machine	2 Pcs
29.	Tape Seperator Machine	1 Set
30.	Electronic Jacquard of 384 Hooks	3 Set
31.	Drive 2HP 1.5 KW	3 Set
32.	Solar Power Plant 54.54 Kwp	1 Set
33.	FDY Machine	1 Set
34.	315 KVA Oil Filled Transformer Indoor With OCTC	1 Set
35.	11 KV,630A, Load Break Switch Mutipanel, Incomer-LBSM,	1 Set

Sr. No	Description	Quantity
36.	Fast knit braiding Machine	1 Nos
37.	140 Ends Creel for W/M	1 Set
38.	250 KVA DG set	1 Nos
39.	Greaves Diesel Generator 82.5 KVA/66	1 Nos
40.	Warpings Machine with 160 ends creel	1 Set
41.	Hydraulic Hand Pallet Truck-2 Ton	1 Nos
42.	Warping Machine 1 Set	1 Nos
43.	Solar Power Plant 100 Kwp	1 Set
44.	UPS	1 Nos
45.	Rewinding Machine (24 Spindle)	1 Set

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Our manufacturing unit operates 6 days in a week having 24 hours of shift with national and public holidays being the off days.

**UNIT - I**



## UNIT-II



### Capacity & Capacity Utilization

We are engaged in manufacturing of narrow fabrics, Braided cord and polypropylene multifilament (PPMF) yarn. The production and utilized capacities of our Company for our products for the three years are set forth in the following table:

Products	Capacity type	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Capacity (MTPA/KG)	As % of installed capacity (in%)	Capacity (MTPA)	As % of installed capacity (in%)	Capacity (MTPA)	As % of installed capacity (in%)	Capacity (MTPA)	As % of installed capacity (in%)
Narrow fabrics (Unit 1)	Installed Capacity	190 MTPA	100	190	100	190	100	100	100
	Utilised capacity	46 MTPA	96.84	180	94.74	152	80	42	42
Braided cord (Unit 1)	Installed Capacity	1500 KG	100	--	--	--	--	--	--
	Utilised capacity	90 KG	24	--	--	--	--	--	--

*Note-% utilisation is calculated based on non annualised installed capacity i.e. for the three months period ended June 30, 2024*

*\*As certified by our S Mohanan, Chartered Engineer vide their certificate November 22, 2024*

Further, upon commencement of commercial production at our Unit-II, our capacity installed as on June 30, 2024, would increase as detailed herein below:

Products	Capacity type	Unit-I		Unit-II		Total	
		Capacity (MTPA)	As % of installed capacity (in%)	Capacity (MTPA)	As % of installed capacity (in%)	Capacity (MTPA)	As % of installed capacity (in%)
Narrow fabrics	Installed Capacity	190	100	250	100	440	100
Polypropylene multifilament yarn	Installed Capacity	--	--	600	100	600	100

Products	Capacity type	Unit-I		Unit-II		Total	
		Capacity (KG)	As % of installed capacity (in%)	Capacity (KG)	As % of installed capacity (in%)	Capacity (KG)	As % of installed capacity (in%)
Braided cord	Installed Capacity	1500	100	--	--	1500	100

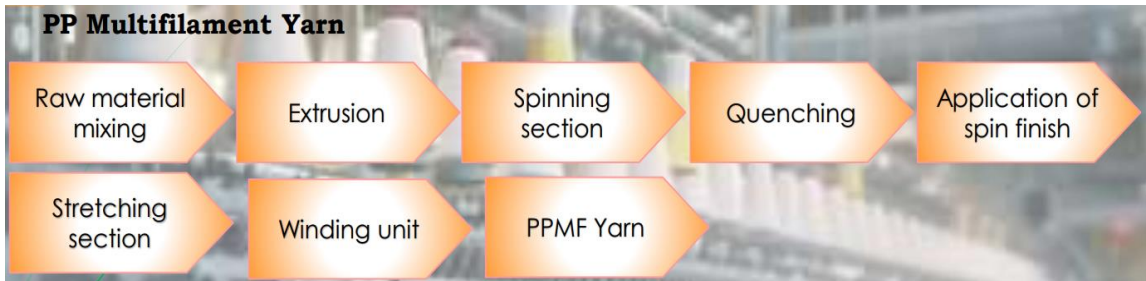
Note-% utilisation is calculated based on non annualised installed capacity i.e. for the three months period ended June 30, 2024

\*As certified by our S Mohanan, Chartered Engineer vide their certificate November 22,2024

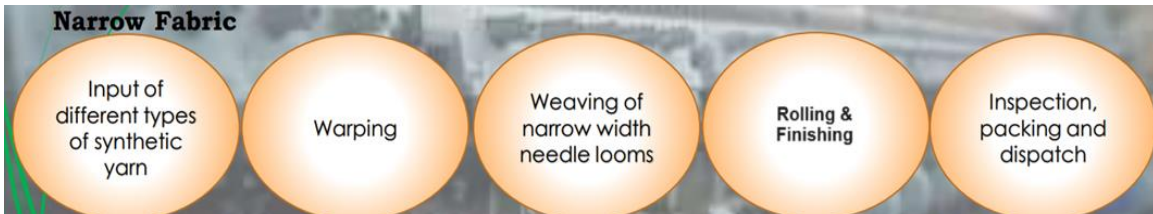
### Our Manufacturing Process

Our process for manufacturing of narrow fabrics such as Narrow woven fabrics and Polypropylene undergoes a series of stages. Following is a process flow of the manufacturing process:

*Polypropylene multifilament yarn and Elastic*



*Narrow fabrics*



### ENVIRONMENT, HEALTH AND SAFETY MEASURES

Environment and safety considerations are an important part of our operations. We are subject to environmental laws and regulations, including regulations relating to the protection of the environmental and human health in relation to our manufacturing facility. These laws and regulations govern the storage, handling and disposal of a variety of substances that may be used in or result from our operations. For further details, see “**Government and Other Approvals**” on page 228. We are committed towards sustainable manufacturing process, and towards these initiatives we incorporate recycled plastic in our manufacturing process, thus contributing towards circular economy and also by lower consumption of energy in the manufacturing process. Further, we have also installed rooftop solar plant of 55 KW at our Unit-I and 100 KW in Unit-II. We

have generated 155 kvA units of energy from the rooftop solar plant during the Fiscal 2024. We have also made provisioning for rain water harvesting by building a ground storage tanks of around 1,65,000 liters at our Unit-II.

## COLLABORATIONS/TIE UPS/JOINT VENTURES

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Draft Prospectus.

## SALES AND MARKETING STRATEGY

The efficiency of the marketing and sales network is critical to the success of our Company. Our Promoter, Mani Sajumohan along with a dedicated sales and marketing team manages the relationship with our customers and traders. As on October 31, 2024, we have 3 dedicated sales team. The experience of the sales team helps in penetrating the market and in reaching out to more customers. To increase our portfolio of customers, we identify the prospective clients, understand their requirements, explain them our product range and value addition we can offer. We undertake various steps to maintain and increase our customer base from time to time. We also participate in trade fairs which help in networking, attracting potential customers, and updating our customers about the new products that we manufacture. We have undertaken social media marketing from time to time to remain in touch with our existing and potential customers.

### Sales and distribution

Set out in the table below are geography wise details of our revenue from operations for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of revenue from operations	Revenue	% of revenue from operations	Revenue	% of revenue from operations	Revenue	% of revenue from operations
Exports	0.00	0.00	299.25	48.56	438.54	82.40	476.87	93.60
Domestic	133.80	100.00	316.95	51.44	93.52	17.60	32.64	6.40
<b>Total</b>	<b>133.80</b>	<b>100.00</b>	<b>616.21</b>	<b>100</b>	<b>532.06</b>	<b>100</b>	<b>509.52</b>	<b>100</b>

\*As certified by our Statutory Auditors, SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024

As of March 31, 2024, approximately 48.56% of the revenue from export sales was from USA, Slovenia, Bangladesh, Sri Lanka, Vietnam and China. The export sales on this scale are possible due to our global customer base. As of March 31, 2024, approximately 20.84%, 22.68% and 5.30% of the revenue from domestic sales was from Karnataka, Kerala and Tamil Nadu states, respectively. We are able to keep abreast of evolving trends in our industry and meet the expectations of our customers by customizing products based on our customers specifications. The narrow fabric production for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, was 46.09 MT 180 MT, 152 MT and 42 MT, respectively with a capacity utilization of 94.74%, 80.00% and 42.00%, for such periods, respectively. Our high levels of capacity utilisation enable us to continually seek new customers and seek to spread out customer base within and outside India.

As on June 30, 2024, we had more than 10 traders in India. Our revenue from our top 10 (ten) traders for the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 51.46 lakhs, ₹96.13 lakhs, ₹36.40 lakhs and ₹8.05 lakhs representing 38.46%, 15.60%, 6.84% and 1.58%, respectively, of our total revenue from operations. Such a global distribution network is instrumental in an effective supply-chain management as well minimizes risks that may emanate from any geographical concentration.

## COMPETITION

Textiles being a global industry, we face competition from organized as well as unorganized players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented with a large number of small players. We have a number of competitors offering products similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based unit with industry expertise in weaving and



providing varied quality of narrow fabrics, which enables us to provide our clients with innovative designs suitable to current fashion and market requirements. Some of our competitors may have greater resources than those available to us. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition.

## **UTILITIES**

### *Power*

Our manufacturing facility, Unit-I have adequate power supply to carry out manufacturing operations. Unit-I receive power from KSEB, sanctioned load of 81 kvA and from our captive solar 55 kvA. We have also installed DG sets of 62.5 kvA in our manufacturing facility in Unit-I and of 82.5 kvA and 250 kvA in our Unit-II for contingencies occurring due to power outage. Our Unit-II is to yet to commence commercial production. However, our Unit-I is power surplus i.e. we will be off-setting our power generation from solar plant in Unit-I against the power consumption in Unit-II.

### *Water*

Water is required for purposes such as, drinking, sanitation and fire safety and is met from Kerala Water authority, rain harvesting & ground water. Our manufacturing operations do not require water.

### *Dispatch*

We have an in-house dispatch department that works with our sales team to coordinate the delivery of our products. We use both road and rail service to dispatch our products to our domestic customers. Further, we have 2 (two) tempos to deliver our products to our customers within the state of Kerala. For our export customers, we follow the FOB basis for export sales. Further, we have storage facility at our manufacturing facilities for purposes of holding inventories of raw material as well as finished products, which ensures stability of operations. For delivery or procurement from beyond the state of Kerala, we rely on third party transporters for the delivery of our products to our customers and for procurement of raw materials.

### *Waste Management:*

Our manufacturing process is not subject to any solid waste. Further, our operations do not involve any wet process hence, there are no liquid discharge. We have availed the requisite consents and approvals from the regulatory authorities for operating our manufacturing units. For further details, see '*Government and Other Approvals*' on page 228.

## **GOVERNMENT INCENTIVES**

We are located in the state of Kerala and enjoy the benefits of incentives under the "Entrepreneurs Support Scheme", CMEDP and Mission 1000 Scheme provided by the Government of Kerala and "Kerala Govt Textile Policy, 2024" by the State Government of Kerala. We applied for Mission 1000 scheme and have been approved as one of the 1000 companies eligible for the scheme subject to necessary compliances. Under CMEDP, the term loan availed from Kerala Financial Corporation is at a subsidised rate of 5% per annum for a loan of up to 2 Crore.

## **RAW MATERIAL AND SUPPLIERS**

The primary raw materials used in our manufacturing process are polyester and polypropylene multifilament yarn and rubber thread which are purchased domestically. All our inputs are easily available at competitive prices from the domestic suppliers. The cost of materials consumed (including purchase of stock in trade) by us in our operations accounted for 38.8%, 26.16% and 22.61% of our revenue from operations for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

We have not entered into any long-term contract or arrangement with any of our suppliers. We are not dependent on any single supplier for our raw material supplies. For instance, our top ten suppliers contributed to 38.94%, 22.37% and 18.54% of our revenue from operations for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Some of our top 10 (ten) suppliers include, Sanathan Textiles Limited, Tiara Manoj Exports, Supreme Textiles PKD, Supreme narrow fabrics, Sri Raja Traders, Filatex-Vechukunnel Private Limited, Laxmi Ganapathy Textiles, Rubfila International Siyaram Packaging Private Limited\* and Manjurani & Co\*.

*\*awaiting consent*

## **INFORMATION TECHNOLOGY**

Our IT systems are vital to our business and we use third party accounting software, Tally prime and data protection and security.

## HUMAN RESOURCES

We place importance on developing our human resources. We focus on attracting and retaining the best possible talent. Our business model comprises of experienced, qualified and semi-qualified personnel. Our Company as on October 31, 2024 has 35 permanent employees. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Further, the company does not employ workers on contract basis.

Following is the department wise employees list: -

Sr. No.	Department	No. of Employees
1.	Management	1
2.	Legal and Secretarial	1
3.	Production	27
4.	Sales & Marketing	3
5.	Accounts	2
6.	Logistics	1
	Total	35

## INSURANCE

Our operations are subject to risks inherent to manufacturing operations, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We may also be subject to product liability claims if the products that we manufacture are not in terms of our contractual arrangements. Except as mentioned below, our Company does not have any Insurance Policy as on date of this Draft Prospectus.

Sr. No.	Name of the Insurance Company	Type of Policy	Insured Name	Validity Period	Policy No.	Total Sum Insured (₹ in lakhs)	Premium (₹ in lakhs)
1.	The New India Assurance Co. Ltd	New India Bharat Flexi Sookshma Udyam Suraksha Policy	Max Supreme Textiles Limited	September 13, 2025	76110811248700000001	397.00	0.32
2.	United India Insurance Co. Ltd	Suraksha Policy	Max Supreme Textiles Limited	July 5, 2025	3008031124P1049555089	533.00	0.56
3.	New India Assurance Co. Ltd.	Standalone Motor Own Damage Policy for Private Car	Max Supreme Textiles Limited	March 15, 2025	76070731232000017012	42.30	0.73
4.	United India Insurance Co. Ltd	Two-Wheeler-1 year own damage	Max Supreme Textiles Limited	January 30, 2025			
5.	United India Insurance Co. Ltd	Two-Wheeler-cover bundle with 5 years	Max Supreme Textiles Limited	January 30, 2029	3008033123P114212855	1.15	0.05

Sr. No.	Name of the Insurance Company	Type of Policy	Insured Name	Validity Period	Policy No.	Total Sum Insured (₹ in lakhs)	Premium (₹ in lakhs)
		liability cover					
6.	United India Insurance Co. Ltd	United Value Udyam Suraksha Policy	Max Supreme Textiles Limited	February 28, 2025	3008031123P115925945	53.36	0.04
7.	The New India Assurance Co. Ltd	New India Bharat Flexi Sookshma Udyam Suraksha	Max Supreme Textiles Limited	October 07, 2025	76110811248700000002	58.28	0.03

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

Our Company believes that our insurance coverage is consistent with industry custom. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and our Company cannot provide any assurance that our Company will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See **‘Risk Factors - An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.’** on page 37.

## QUALITY ASSURANCE

At the core of our operations is an unwavering commitment to quality assurance and control. Our customers demand rigorous quality checks at various stages before dispatch, and we have established dedicated quality assurance and control teams to meet these demands. Further, our manufacturing facilities are subject to audit by our customers or their representatives on regular intervals. Led by experienced officers, these teams ensure that our fabrics undergo meticulous inspections to prevent rejections and maintain eligibility for use by contract manufacturers and manufacturers of renowned brands. Our quality control measures extend from thorough checks of raw materials to the final inspection of finished goods. An in-house laboratory equipped with semi-automatic/mechanical machines, operated by skilled personnel, supplements these efforts.

## EXPORT AND EXPORT OBLIGATION

Our export revenue for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 is ₹299.25 lakhs, ₹438.54 lakhs and ₹476.87 lakhs, respectively and represented 48.56%, 82.4% and 93.6% of our revenue from operations, respectively. Further, we have no export obligations as on the date of this Draft Prospectus.

## CUSTOMERS

Our customer base currently comprises a number of multinational, regional and local contract manufacturers, brand companies and traders.

For the Fiscal 2024, we catered to 68 customers of which, 3 customers are our export customers. Some of our customers forming part of the top 10 (ten) customers includes such as Cameo Bags, Zerah Solutions, Kitex Limited, Akshaya rubbers, Mantax Lifestyle Private Limited, Maria Industries, Hemaratan Sale Corporation, Marwel Marketing, Aysha Traders\* and Shell Apparels Pvt Ltd\*. We have strong and long-established relationships with a number of our customers. For instance, three of our top 10 (ten) customers are associated with the Company for over 3 years. We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups.

*\*awaiting consent*

## OUR PROPERTIES

*Immovable Properties*




We own and lease certain properties for our corporate operations and office. The brief details of some of the material properties owned/leased by our Company are set out below:

Sr. No.	Address	Leased/ Owned	Area (Sq. ft.)	Usage	Description
1	10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, Pin 678508, Kerala	Owned	10,268	Registered Office cum Manufacturing Unit-I	The said property is purchased from Dr. T. K. Udayabanu for consideration of ₹ 4,62,500
2	SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, Pin 678508, Kerala	Leased	1,62,043.24 of land area	Manufacturing Unit-II	The said property has been obtained from Kuriachan Udupp vide Lease Agreement dated December 22, 2022, for a period of 30 years from December 22, 2022, to December 21, 2052, for a rent of ₹ 10,000 per month.

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

#### Intellectual Property

As on date of this Draft Prospectus we do not have any trademark registered by our Company however, we have made application for the same whose details are set out below:

Serial No.	Particulars of the Mark	Certificate/Application No. & Date	Class of Registration	TM Type	Owner	Status
1.		App. No.: 6537101 App. Date: July 22, 2024	22	Ropes and string; nets; tents and tarpaulins; awnings of textile or synthetic materials; sails; sacks for the transport and storage of materials in bulk; padding, cushioning and stuffing materials, except of paper, cardboard, rubber or plastics; raw fibrous textile materials and substitutes therefor.	Max Supreme Textile Limited	Formalities Chk Pass
2.		App. No.: 6537102 App. Date: July 22, 2024	23	Yarns and threads for textile use.	Max Supreme Textile Limited	Formalities Chk Pass
3.		App. No.: 6537103 App. Date: July 22, 2024	24	Textiles and substitutes for textiles; household linen; curtains of textile or plastic	Max Supreme Textile Limited	Formalities Chk Pass

#### Domain

Sr. No	Domain Name and ID	Registrant Name and ID	Creation Date	Registry Expiry Date
1.	maxsupremetextiles.com	GoDaddy.com, LLC Address: 2155 E GoDaddy Way Tempe Arizona 85286 USA	November 28, 2023	December 24, 2025

## **CORPORATE SOCIAL RESPONSIBILITY**

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor to undertake CSR activities such as, sustainable environment development (Solar energy & Rain water saving), promoting gender equality, rural employment, ensuring care for senior citizens and differently abled persons, maintaining cleanliness by installing dustbins, constructing portable toilets, etc.

## KEY INDUSTRY REGULATIONS AND POLICIES

*In carrying on our business as described in the “Our Business” on page 114, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see “Government and Other Statutory Approvals” on page 228.*

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company’s businesses. Our Company is required to obtain and regularly renew certain licenses/ registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

### A. Industry Related Laws

#### *The Textiles Committee Act, 1963*

The Textile Committee Act, 1963 (the “Act”) was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “Textile Committee”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardization of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

#### *Textile Development and Regulation Order, 2001 (“Textile Order”)*

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for

the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows:

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed it's commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society

#### ***Textiles (Development and Regulation) Order, 1992.***

The order was brought into force by central Government under section 3 of the Essential Commodities Act, 1955 and repeal the Textile (Control) Order, 1986. The order requires every person on installing the powerloom machine and Spinning Machine, Knitting machine or Lace-making machine subject to the provisions of any Central or State law shall submit an Information Memorandum to the State Government under whose territory the powerloom has been installed and copy to Textile Commissioner, Government of India, Bombay. The order provides that every manufacturer of, and every dealer in yarn or cloth or other textile products shall keep such books of accounts and other records relating to his business and shall furnish such returns or information at such intervals as the Textile Commissioner may require.

#### ***The Factories Act, 1948 ("Factories Act")***

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

#### ***Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 2016 provides for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto. The Act provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process, system or service by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process, system or service in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A

person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

### ***Companies Act 2013***

The Companies Act 2013 is the law covering incorporations, dissolution and the running of companies in India. The Act came into force across India on 12th September 2013 and has a few amendments to the previous act of 1956. It has also introduced new concepts like a One Person Company.

### ***Consumer protection Act, 1986***

An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith. The Act establish a Council to be known as the Central and State Consumer Protection Council. The Act establish Consumer Disputes Redressal Agencies. The Act provide speedy and simple redressal to consumer disputes, a quasi-judicial machinery is sought to be set up at the district, State and Central level. These quasi-judicial bodies will observe the principles of natural justice and have been empowered to give relief of a specific nature and to award, wherever appropriate, compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

### ***Indian Contract Act 1872***

The Indian Contract Act 1872 is a comprehensive guide that governs contracts and agreements in India. The act was passed to provide a legal framework for contract law and has been amended several times over the years to keep up with changing economic conditions. The Indian Contract Act of 1872 is a comprehensive legal framework that controls all commercial relationships in India. The act lays down the rules and regulations that need to be followed while entering into a contract and also provides remedies for breach of contract.

## **B. *Laws Relating to Employment***

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) Relevant state specific shops and commercial establishment legislations; (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees' State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees' Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the "Act") governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the 'Scheduled Industries' which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for



growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

#### **Code on Wages, 2019**

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

#### **Code on Social Security, 2020**

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker’s Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organizations such as the Employee’s Provident Fund Organisation and the Employee’s State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

#### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

### **C. Environmental Laws**

#### ***The Environment (Protection) Act, 1986 (the “EPA”)***

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

#### ***The Environmental Impact Assessment Notification, 2006 (the “Notification”)***

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bye-laws of the concerned State authorities.

#### ***The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)***

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

***Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)***

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

***Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)***

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 made the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

**D. Intellectual Property Laws**

***The Trademarks Act, 1999 (“Trademarks Act”)***

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

***The Designs Act, 2000 (“Designs Act”)***

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

**E. Foreign Investment Regulations**

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("FDI Policy")), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

***Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2015-2020 (“Foreign Trade Policy”)***

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("IEC") granted by the director general or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person

violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India's current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

***Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder***

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

**F. Other Applicable Laws**

***The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")***

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

***Information Technology Act, 2000 (IT Act)***

The purpose of enacting the IT Act was to give legal recognition to transactions conducted online. The Act established a digital signature system for electronic document authentication and states penalties and jail terms for civil and criminal wrongs. The IT Act specifies several offenses, such as those involving fraudulent activity originating from computer applications, unauthorized disclosure of private information, and unauthorized access to computer systems. The IT Act was amended in 2008 to make contracts created electronically legally enforceable. The IT Act also protects intermediaries from liability for third-party information they host or make available to them, and it establishes liability for carelessness in handling sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information generated, transmitted, received or stored in any computer source in the interest of sovereignty, integrity, defence and security of India, among other things

***Municipality Laws***

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

### ***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### ***Fire Prevention Laws***

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

### ***Taxation Laws***

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

### ***Professional Tax***

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

### ***Competition Act, 2002***

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### ***The Insolvency and Bankruptcy Code, 2016 (the “Code”)***

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days

### ***Other Laws***

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Rent Control Act, Information technology act and other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our Company was originally incorporated on January 13, 2021, as a private company in the name and style of “*Max Supreme Textiles Private Limited*” under the provisions of the Companies Act, 2013 vide certificate of incorporation dated January 14, 2021, issued by the Deputy Registrar of Companies, Central Registration Centre on behalf of jurisdictional RoC. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the Extraordinary General Meeting of our members held on January 09, 2024, and consequently, the name of our Company was changed to “*Max Supreme Textiles Limited*”, and a fresh certificate of incorporation consequent upon conversion from a private company to the public company dated February 28, 2024, was issued by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre.

### Changes in the Registered Office

Except as disclosed below there have been no change in the Registered office of our Company:

Date of Resolution	From	To	Reason(s)
December 20, 2023	10/389, Jyothis, Thevarmani Chathamangalam PO, Nemmara, NA, Nemmara, Palakkad, Kerala, India, 678508.	10/1051, Ayyappanpara, Thevarmani Chathamangalam PO, Nemmara, Chathamangalam, Palakkad, Chittur, Kerala, India, 678508	Administrative Convenience

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities.

The main objects of our Company are:

- To carry on the business of general trading, general contracting, buying, selling, reselling, importing, exporting, distributing, storing, manufacturing, delivering, promoting, advertising, marketing or supplying, dealing in any manner whatsoever on retail as well as wholesale basis including online trading of all kinds of textile clothing, wearing apparel, cosmetics, jute, linens, furnishing fabrics and fabrics of all kinds of readymade garments and clothing, hosiery, footwear's, & accessories in India or abroad and to carry all activities connected thereto in India or elsewhere in the world.*

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Prospectus are as detailed below:

Date of Amendment / Shareholder's Resolution	Nature of Amendment
June 16, 2021	Increase of Authorised share Capital from ₹10,00,000/- consisting of 1,00,000 equity shares of ₹10 each to ₹40,00,000/- consisting of 4,00,000 equity shares of ₹10 each.
January 9, 2024	Change in name of the Company from Max Supreme Private Limited to Max Supreme Limited pursuant to Conversion of Private to Public
July 22, 2024	Increase of Authorised share Capital from ₹40,00,000/- consisting of 4,00,000 equity shares of ₹10 each to ₹8,00,00,000/- consisting of 80,00,000 equity shares of ₹10 each.

### MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Particulars
2021	Incorporate as a private limited company
2023	Awarded with the fastest growing Indian Company Excellence Award by International Achievers Conference
2024	Conversion of our Company from a Private Limited to a Public Limited Company

### STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

## **FINANCIAL PARTNERS**

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partner.

## **TIME AND COST OVERRUN IN SETTING UP OF PROJECTS**

There have been no instances of time and cost overruns in setting up of our projects in the past.

## **CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

For details pertaining to capacity / facility creation, location of plant refers "*Our Business*" on page 114.

## **DETAILS OF LAUNCH OF KEY PRODUCTS, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please see "*Our Business*" on page 114.

## **DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/ banks or conversion of loans into equity in relation to our Company.

## **ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS**

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years which form part of the main object of the MOA.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in last ten years.

## **HOLDING COMPANY**

Our Company does not have a holding company as on the date of this Draft Prospectus.

## **SUBSIDIARIES**

Our Company does not have any subsidiary company as on the date of this Draft Prospectus.

## **JOINT VENTURES**

Our Company has no joint-ventures as on the date of this Draft Prospectus.

## **SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS**

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

## **COLLABORATION**

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

## **LOCK-OUT AND STRIKES**

There have been no material instances of strikes or lock-outs at any time in our Company.

## **INJUNCTION OR RESTRAINING ORDERS**

There are no injunctions/restraining orders that have been passed against the Company.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Senior Management Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with

dealings in the securities of our Company.

**DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY OUR PROMOTERS:**

As on the date of this Draft Prospectus, Mani Sajumohan and Gangadharan Jyothi, Promoters and certain members of the Promoter Group of our Company, have issued the following guarantee to third parties. This guarantee is in the nature of personal guarantees and has been issued towards contractual obligations in respect of loans availed by our Company.

(₹ in lakhs)

Sr. No.	Lender	Name of the Borrower	Nature of facility Sanction	Amount Guaranteed	Outstanding as on September 30, 2024
1.	ICICI Bank Limited	Our Company	Overdraft	137.80	35.88
2.	Kerala Finance Corporation	Our Company	Term Loan	350.00	331.78
3.	Small Industries Development Bank of India	Our Company	Term Loan	103.27	76.53

The abovementioned guarantee is typically effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee by our Promoter to the extent of the outstanding loan amount. For details of security provided by the borrowers, please see, “*Financial Indebtedness*” on page 205.

**OTHER CONFIRMATIONS**

There is no material clause of Article of Association which have been left out from disclosure having bearing on the IPO.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

There is no conflict of interest between the lessor of immovable properties and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Prospectus, our Board comprises of 7 (Seven) Directors, including 2 (Two) Executive Directors of which one is Women Director, and 5 (Five) Non-Executive Directors of which 4 (Four) are Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act.

The following table sets forth details regarding the Board as on the date of this Draft Prospectus:

Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>MANI SAJUMOHAN</b>  <b>Designation:</b> Chairman &amp; Managing Director  <b>DIN:</b> 09028262  <b>Date of Birth:</b> May 29, 1970  <b>Age:</b> 54 years  <b>Occupation:</b> Business  <b>Address:</b> 10/389 Jyothis Thevarmani Chathamangalam P.O. Nemara, Palakkad Kerala 678508  <b>Original Date of Appointment:</b> January 13, 2021  <b>Change in Designation:</b> August 23, 2023  <b>Period of Directorship:</b> Period of 5 (years) with effect from August 23, 2023, as a director liable to retire by rotation</p>	<p><i>Indian Companies</i>                      Nil  <i>LLP</i>                      Nil  <i>Foreign Companies</i>                      Nil</p>
<p><b>GANGADHARAN JYOTHI</b>  <b>Designation:</b> Whole Time Director  <b>DIN:</b> 09021765  <b>Date of Birth:</b> March 27, 1974  <b>Age:</b> 50 years  <b>Occupation:</b> Business  <b>Address:</b> 10/389 Jyothis Thevarmani Chathamangalam P.O. Nemmara, Palakkad Kerala 678508  <b>Original Date of Appointment:</b> January 13, 2021  <b>Change in Designation:</b> May 15, 2024  <b>Period of Directorship:</b> Period of 5 (years) with effect from May 15, 2024 as a director liable to retire by Rotation</p>	<p><i>Indian Companies</i>                      Nil  <i>LLP</i>                      Nil  <i>Foreign Companies</i>                      Nil</p>
<p><b>BIJU UTHUPPU</b>  <b>Designation:</b> Non-Executive Director  <b>DIN:</b> 02558882</p>	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• New Sanros Ayurvedic Private Limited</li> <li>• Nemmara Hospital and Medical Institute Private Limited</li> </ul>



Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>Date of Birth:</b> May 18, 1978</p> <p><b>Age:</b> 46 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> Koodarathil House Pezuhmpara Chathamangalam P.O. Nammara Palakkad Chathamangalam Kerala 678508</p> <p><b>Original Date of Appointment:</b> December 12, 2023</p> <p><b>Change in Designation:</b> January 9, 2024</p> <p><b>Period of Current Directorship:</b> Appointed as a Director liable to retire by rotation</p>	<p><i>LLP</i></p> <p>Nil</p> <p><i>Foreign Company</i></p> <p>Nil</p>
<p><b>ALOK THOMAS PAUL</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 07434060</p> <p><b>Date of Birth:</b> February 3, 1995</p> <p><b>Age:</b> 29 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> Kadambelil House Near Bye Pass Junction Mannuthy PO Madakkathara Thrissur, Madakkathara Kerala 680651</p> <p><b>Original Date of Appointment:</b> March 20, 2024</p> <p><b>Period of Current Directorship:</b> 5 years with effect from March 20, 2024, and shall not be liable to retire by rotation</p>	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Kapma Agro Farms Private Limited</li> <li>• Cedar Integrated Food Tech Private Limited</li> <li>• Thrissur Startup Incubation Council</li> <li>• Hebron Gardens Private Limited</li> <li>• Lahanti Homes &amp; Infrastructure Private Limited</li> <li>• JRK Marketing Private Limited</li> <li>• Cedar Retail Private Limited</li> <li>• ESAF Health Care Services Private Limited</li> <li>• ESAF Swasraya Producers Company Limited</li> <li>• Sanma Garments Private Limited</li> <li>• Rhema Dairy Products India Private Limited</li> <li>• Lahanti Stonecraft Private Limited</li> <li>• Cedar Livelihood Services Private Limited</li> <li>• Rhema Kisan Producer Company Limited</li> <li>• Dev Bhoomi Eco Tourism Private Limited</li> </ul> <p><i>LLP</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>RAJIT RAJAN</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 10540141</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>LLP</i></p>

Name, DIN, Date of Birth, Age, Occupation, Address, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>Date of Birth:</b> December 4, 1972</p> <p><b>Age:</b> 52 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> Arippara House Thiruvazhiyad PO Thiruvazhiyad Chittur Palakkad Kerala 678510</p> <p><b>Original Date of Appointment:</b> March 20, 2024</p> <p><b>Period of Current Directorship:</b> 5 years with effect from March 20, 2024 and shall not be liable to retire by rotation</p>	<p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>KOPPATH BABU SAJITH</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 10512520</p> <p><b>Date of Birth:</b> May 15, 1986</p> <p><b>Age:</b> 38 Years</p> <p><b>Occupation:</b> Professional</p> <p><b>Address:</b> Koppathu House, Illamkavu Kizhakknecheri-I Kilakkancheri Palakkad Kerala 678684</p> <p><b>Original Date of Appointment:</b> March 20, 2024</p> <p><b>Period of Current Directorship:</b> 5 years with effect from March 20, 2024 and shall not be liable to retire by rotation</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>LLP</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
<p><b>T. VINAYA KUMAR</b></p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>DIN:</b> 00044594</p> <p><b>Date of Birth:</b> May 15, 1958</p> <p><b>Age:</b> 66 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Address:</b> 33/335, Velladd, GHS Road, Vennala P.O., Vennala S. O. Ernakulam Kerala- 682028</p> <p><b>Original Date of Appointment:</b> March 20, 2024</p> <p><b>Period of Current Directorship:</b> 5 years with effect from March 20, 2024 and shall not be liable to retire by rotation</p>	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Sharewealth Securities Limited</li> <li>• Guide Estates and Properties Private Limited</li> <li>• Thirdwave H R and Networks Private Limited</li> <li>• Kings Infra Ventures Limited</li> <li>• Moat Financial Services Private Limited</li> </ul> <p><i>LLP</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>

#### Brief Biographies of our Directors

**Mani Sajumohan** is the Promoter and Chairman & Managing Director of our Company. He has completed his secondary education and has been associated with our Company since inception and currently is responsible for the overall management of the business affairs of our Company. He has around 10 years of experience in textile industry. During Fiscal 2024, he has not drawn any remuneration. He has not drawn any remuneration for fiscal 2024.

**Gangadharan Jyothi** is the Promoter and Whole-time Director of our Company. She has completed her higher secondary

education. She has been associated with our Company since inception and currently is responsible for the administration and HR of our Company. She has around 10 years of experience in Admin and HR. She was appointed as Whole-Time Director on May 15, 2024, and hence has not drawn any remuneration during Fiscal 2024.

**Biju Uthuppu** is a Non-Executive Director of our Company. He completed his secondary education. He has been associated with our Company since 2023. Currently, he is associated with Nemmara Hospital and Medical Institute Private Limited and New Sanros Ayurvedic Private Limited as Director. He has around 15 years of experience in the field of business administration.

**Alok Thomas Paul** is a Non-Executive Independent Director of our Company. He holds a Bachelor’s Degree in Economics from Loyala College and a Post Graduation Degree in Diploma in Behavioural and Economic Science from University of Warwick. He has around 6 years of experience in the field of business administration. Currently, he was also associated with Cedar Retail Private Limited as the Managing Director and holds directorships with various companies like ESAF Swasraya Producers Company Limited etc.

**Rajit Rajan** is a Non-Executive Independent Director of our Company. He holds Post Graduation Degree in PGDIT & Management (Electronic Commerce) from All India Management Association and has been working in the field of Information Technology.

**Koppath Babu Sajith** is a Non-Executive Independent Director of our Company. He holds a bachelor’s Degree in Commerce from University of Calicut and is an Associate Company Secretary Member of The Institute of Company Secretaries of India. Currently he is associated with Imperial Spirits Private Limited as Company Secretary. He has around 8 years of experience in field of Secretarial and Corporate governance. Previously, he was also associated with Salona Cotspin Limited as the Company Secretary & Compliance Office.

**T. Vinaya Kumar** is a Non-Executive Independent Director of our Company. He holds a Postgraduate Diploma in Marketing and Sales Management and a Master’s Degree in MBA (Marketing) and MPhil PhD (Entrepreneurship) from Indira Gandhi National University. Currently, he is associated with Guide Estates and Properties Private Limited as its Managing Director. He has around 29 years of experience in field of PR, Advertising, Branding and Marketing.

**Relationship between our Directors, Key Managerial Personnel and Senior Managerial Personnel**

Except for Mani Sajumohan and Gangadharan Jyothi being husband and wife, none of our directors, key managerial personnel and senior managerial personnel are related to each other as per section 2(77) of the Companies Act, 2013, as on the date of this Draft Prospectus.

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

**Service contracts with Directors**

No officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

**Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the at the AGM of the Company held on August 22, 2024 pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made thereunder, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 10,000 lakhs.

**Terms of Appointment & Remuneration to Executive Directors**

**A. Mani Sajumohan**

Our Managing Director was appointed pursuant to a resolution dated August 8, 2023, for a term of 5 years. Later he was re-designated as Chairman & Managing Director on November 24, 2023. The details of his remuneration are as set out below:

Remuneration	Details
Salary	Nil

Perquisites	Nil
Remuneration paid in FY 2022-2023	Nil

## B. Gangadharan Jyothi

Our Whole Time Director was appointed pursuant to a resolution dated May 15, 2024 for a term of 5 years. The details of his remuneration are as set out below:

Remuneration	Details
Salary	Nil
Perquisites	Nil
Remuneration paid in FY 2022-2023	Nil

## Payment or benefit to Non -Executive Director and Non-Executive Independent Directors of our Company

Pursuant to Board resolution dated May 15, 2024 it is hereby accorded for payment of sitting fees in the following manner, to the Non-Executive Independent Director of the company for attending the meetings or committee thereof attended by them until further change of consensus in this regard.

Sr. No.	Name Of Meetings	Sitting Fees Per Meeting
1.	Board of Directors	2,500
2.	Audit Committee	2,500
3.	Nomination and Remuneration Committee	2,500
4.	Stakeholder's Relationship Committee	2,500

Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

No sitting fees or commission was paid by our Company to any Non-Executive Directors in Financial Year 2023-2024.

## Bonus or profit-sharing plan of our Directors

As on the date of this Draft Prospectus, our Company does not have a bonus or profit-sharing plan for our Directors.

## Shareholding of our Directors in our Company

The shareholding of our Directors in our Company, as on the date of this Draft Prospectus is set forth below:

Sr. No.	Name of Directors	Number of Equity Shares of ₹ 10 each held
1	Mani Sajumohan	11,97,790
2	Gangadharan Jyothi	11,97,780
3	Biju Uthuppu	9,83,430
	<b>Total</b>	<b>33,79,000</b>

## Details regarding directorships of our Directors in listed companies

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such company.

## Confirmations

None of our Directors are persons appearing in the list of directors of struck-off companies by the respective Registrar of Companies or the MCA

None of our Directors have been or was identified as a wilful defaulter or a fraudulent borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in

connection with the promotion or formation of our Company.

### Interest of directors

All our Non-Executive Directors including Non-Executive Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company.

The Directors may also be deemed to be interested in the Equity Shares of face value of ₹10 each, held by them and/or any Equity Shares that may be held by their relatives if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please see **“Our Management - Shareholding of Directors in our Company”** on page 142.

Except Mani Sajumohan and Gangadharan Jyothi, none of our Directors have any interest in the promotion of our Company.

Mani Sajumohan and Gangadharan Jyothi may be considered to be interested to the extent of personal guarantees given in favour of our Company against loans sanctioned to our Company. For further details, please see **“Restated Financial Statement”** on page 161.

Our Directors may be deemed to be interested in the contracts, transactions, agreements/ arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members, or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. For further details, please **“Our Business”** on page 114 and **“Restated Financial Statement”** on page 161,

Except for property situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, Pin 678508, Kerala (**Unit-II**) taken on lease for a period of 30 years commencing from December 18, 2022 from Kurian Koodarathil Uthupp who is a relative of Biju Uthuppu, Promoter & non-executive Director of the Company, none of our Directors have any interest in the property acquired or proposed to be acquired by our Company

Except as stated in **“Restated Financial Statement”** on page 161 and as disclosed in this chapter, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

None of our Directors have availed loans from our Company

### Payment of benefits (non-salary related)

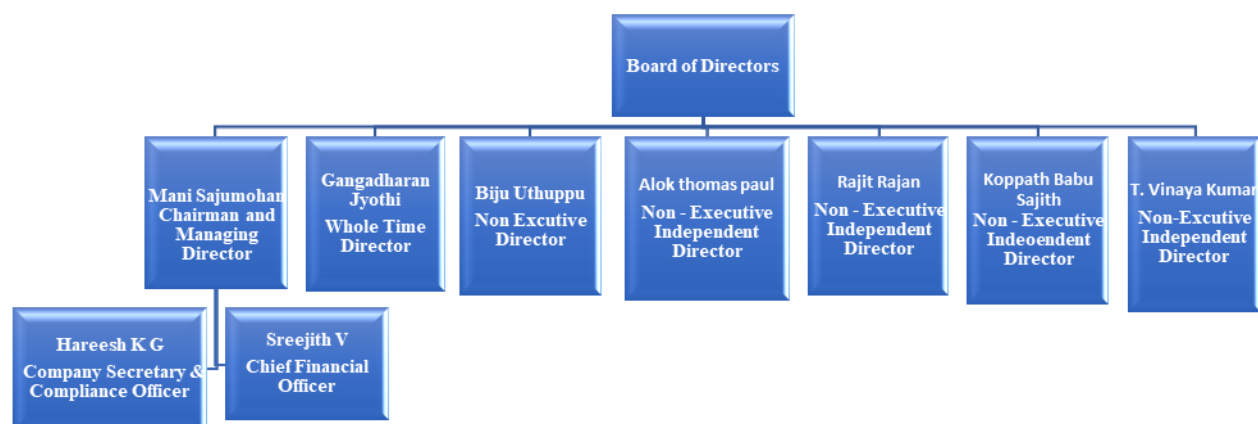
Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors, except the remuneration for services rendered and/or sitting fees as Directors.

### Changes in the Board of Directors in the last three years preceding the date of this Draft Prospectus

Name of the Director	Date of Change	Reasons for Change
Pooja Mohan	July 19, 2022	Change in Designation as Managing Director
Biju Uthuppu	August 8, 2023	Appointment as an Additional Non-Executive Director
Mani Sajumohan	August 8, 2023	Change in Designation to Managing Director
Pooja Mohan	August 23, 2023	Cessation as Managing Director
Biju Uthuppu	December 20, 2023	Appointment as an Additional Non-Executive Director
Kurian Koodarathil Uthupp	December 20, 2023	Cessation as Director
Biju Uthuppu	January 9, 2024	Change in designation Non-Executive Director
Alok Thomas Paul	March 20, 2024	Appointed as an Independent Director of the Company
Rajit Rajan	March 20, 2024	Appointed as an Independent Director of the Company
Koppath Babu Sajith	March 20, 2024	Appointed as an Independent Director of the Company
T. Vinaya Kumar	March 20, 2024	Appointed as an Independent Director of the Company
Gangadharan Jyothi	May 15, 2024	Change in designation to Whole Time Director
Pooja Mohan	May 15, 2024	Cessation as Director

## Management Organization Structure

The following chart depicts our Management Organization Structure



## Corporate Governance

In terms of the Articles of Association, our Company is authorised to have Directors which shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) Directors after passing a special resolution, in accordance with the provisions of the Companies Act, 2013. As on the date of this Draft Prospectus, we have 7 (seven) directors on our Board, comprising of 2 (Two) executive directors, of which 1 being women director and 5 (Five) Non-Executive Directors of which 4 (Four) being Independent Directors and 1 (one) being Non-Executive Director. The present composition of our Board of Directors and its committees are in accordance with the SEBI Listing Regulations and the Companies Act, 2013.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act.

### Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

#### (i) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated July 26, 2024

The terms of reference of the Audit Committee are in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are:

Sr. No.	Name of the Directors	Designation	Position in the Committee
1.	Rajit Rajan	Non-Executive Independent Director	Chairperson
2.	Koppath Babu Sajith	Non-Executive Independent Director	Member
3.	Mani Sajumohan	Chairman and Managing Director	Member

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations

of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### **Role and Powers**

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the financial statements/financial results before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board.
20. To review the functioning of the whistle blower mechanism;
21. Approving the appointment of the Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
22. Audit committee shall oversee the vigil mechanism.
23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
24. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations, 2015.

**Further, the Audit Committee shall mandatorily review the following:**

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly/Half Yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- g) monitoring the end use of funds raised through public offers and related matters.
- h) any other responsibility as may be assigned by the board from time to time.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated July 26, 2024. The scope and functions of the Nomination and Remuneration Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI LODR Regulations.

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Rajit Rajan	Non Executive Independent Director	Chairperson
2.	Koppath Babu Sajith	Non Executive Independent Director	Member
3.	T. Vinaya Kumar	Non Executive Independent Director	Member
4.	Mani Sajumohan	Chairman and Managing Director	Member



## Terms of reference

The Nomination and Remuneration Committee be and here by entrusted with the following powers:

- (i) Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- (ii) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- (iii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iv) Devising a policy on diversity of board of directors;
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vi) Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- (vii) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- (viii) Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- (ix) Decide the amount of Commission payable to the Whole-Time Directors;
- (x) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.; and
- (xi) To formulate and administer the Employee Stock Option Scheme.

### (iii) Stakeholders Relationship Committee

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated July 26, 2024. The scope and functions of the Stakeholders' Relationship Committee are in accordance with section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI LODR Regulations.

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Koppath Babu Sajith	Non Executive Independent Director	Chairperson
2.	Alok Thomas Paul	Non Executive Independent Director	Member
3.	Mani Sajumohan	Chairman and Managing Director	Member

### Terms of Reference:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchange from time to time, the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

## **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of the Sub-Regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. Further, Board of Directors at their meeting held on May 25, 2024, has approved and adopted the policy on insider trading in view of the proposed public issue.

The Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

## **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (LODR) Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on May 25, 2024, has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel and Senior Management Personnel**

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel and Senior Management Personnel of our Company:

#### **Brief Profile of Key Managerial Personnel:**

The details of the Key Managerial Personnel as on the date of this Draft Prospectus are set out below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

#### **Mani Sajumohan, Chairman and Managing Director**

For the complete profile of Mani Sajumohan, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management - Brief Biographies of our Directors*” on page 144.

#### **Gangadharan Jyothi, Whole Time Director**

For the complete profile of Gangadharan Jyothi, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management - Brief Biographies of our Directors*” on page 144.

**Hareesh K G** is the Company Secretary and Compliance Officer of our Company. He was appointed as Company Secretary vide board resolution dated May 2, 2024 and Compliance Officer vide board resolution dated May 15, 2024. He holds Bachelor’s degree in Commerce from Calicut University, and a Master’s Degree in Commerce from Bharatiyar University Coimbatore. He is also an associate member of the Institute of Company Secretaries of India since 2021. He was previously associated with Pinnacle Motor Works (P) Ltd as its Company Secretary. He was appointed with our Company in May 2024 and hence, he has not received any compensation from the Company in the Fiscal 2024.

**Sreejith V** is the Chief Financial Officer of our Company. He has been associated with our Company since August 16, 2021 and was appointed as the CFO of the Company with effect from May 2, 2024. He holds Master’s degree in Business Administration in stream of finance from Bharatiyar University Coimbatore. He is responsible for handling finance and accounting matters of our Company. He was previously associated with Chatamkulam Projects & Developers Private Limited as an Accounts Manager. He has over 5 years of experience in the field of finance and accountancy. He received a gross remuneration of ₹ 2.64 lakhs in Fiscal 2024.

#### **Brief Profile of Senior Management Personnel:**

**Biju K** is the Marketing Head of our Company. He has been associated with our Company since November 1, 2023. He holds Bachelor’s degree in Business Management from Bharatiyar University. He is responsible for handling the Marketing division of our Company. He was previously associated with V- star creations Private Limited as Officer Purchase. He has over 3 years of experience in the field of Marketing. He received a gross remuneration of ₹ 2.63 lakhs in Fiscal 2024.

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

#### **Shareholding of Key Management Personnel and Senior Management Personnel in our Company**

Except as disclosed in “Shareholding of Directors in our Company” please see “*Capital Structure*” on page 66, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Prospectus.

#### **Nature of any family relation between any of the Key managerial personnel and Senior Management Personnel**

Except Mani Sajumohan & Gangadharan Jyothi are Husband & wife, None of the Key Managerial Personnel or Senior Management Personnel are related to each other or to any of our directors.

#### **Interests of Key Managerial Personnel and Senior Management Personnel**

Except as mentioned in this Draft Prospectus, the Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel and Senior Management Personnel may be deemed interested to the extent of Equity Shares that may be subscribed for and allotted to them, pursuant to this Issue. Such Key Managerial Personnel or Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Key Managerial Personnel and Senior Management Personnel may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

#### **Payment of Benefits to Officers of Our Company (*non-salary related*)**

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia rewards. Except for the statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards the provident fund, gratuity fund and employee state insurance.

Except as stated under chapter ‘*Financial Statements*’ on page 161, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

#### **Relationship among Key Managerial Personnel and among Key Management Personnel or Directors or Senior Management Personnel**

None of our Key Managerial Personnel are related to each other or to the Directors of our Company, except as disclosed in “*Our Management - Relationships between our Directors and Key Managerial Personnel*” on page 142.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel or Senior Management Personnel was selected**

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

#### **Compensation paid to Key Managerial Personnel and Senior Management during last financial year i.e., 2023-2024**

For details with respect to the compensation paid to our Key Managerial Personnel and Senior Management during preceding Financial Year 2023-2024 refer “*Terms of Appointment & Remuneration to Executive Directors Executive Directors*” of our Company on page 145 and “*Restated Financial Statements*” on page 161.

#### **Details of Service Contracts of the Key Managerial Personnel and Senior Management Personnel**

Our Company does not have any service contract with the KMP pursuant to which they are entitled to any benefits upon termination of employment.

### **Bonus and/ or Profit-Sharing Plan for the Key Managerial Personnel and Senior Management Personnel**

Our Company has no profit-sharing plan in which the Key Managerial Personnel participate. None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

### **Contingent and Deferred Compensation payable to Key Managerial Personnel and Senior Management Personnel**

As on the date of this Draft Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Financial year 2023, which does not form part of their remuneration for such period.

### **Employee Stock Option or Employee Stock Purchase**

As on date of this Draft Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

### **Status of Permanent Employment of KMPs**

All the key managerial personnel mentioned above are permanent employees of our Company.

### **Attrition**

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

### **Changes in Our Company's Key Managerial Personnel and Senior Managerial Personnel during the last three (3) years**

Changes in our Key Management Personnel and Senior Management Personnel during the three years immediately preceding the date of this Draft Prospectus are set forth below: The Company has appointed following person as KMP and Senior Management Personnel:

<b>Name of KMP or Senior Management Personnel</b>	<b>Appointment/ Change in Designation/ Cessation</b>	<b>Date of Change</b>
Mani Sajumohan	Change in Designation from Director to Managing Director	August 08, 2023
Pooja Mohan	Cessation as Managing Director	August 23, 2023
Mani Sajumohan	Change in Designation from Director to Managing Director	August 23, 2023
Sreejith V	Appointment as Chief Financial Officer	May 02, 2024
Hareesh K G	Appointment as Company Secretary & Compliance Officer	May 02, 2024
Gangadharan Jyothi	Appointment as Whole Time Director	May 15, 2024
Mani Sajumohan	Change in Designation from Managing Director to Chairman & Managing Director	March 07, 2024
Biju K	Appointment as Sales and Marketing Head	November 1, 2023

## OUR PROMOTERS AND PROMOTER GROUP

Mani Sajumohan, Gangadharan Jyothi and Biju Uthuppu are the Promoters of our Company. As on the date of this Draft Prospectus, our Promoters hold 33,79,000 Equity Shares of ₹10 each, representing 88.47 % of the pre-issued and paid-up Equity Share capital of our Company.

For details of the shareholding of our Promoters in our Company, as on the date of this Draft Prospectus, see '*Capital Structure - History of the Equity Share capital held by our Promoters - Build-up of our Promoters' equity shareholding in our Company*' on page 66.

### Our Promoters

	<p><b>Mani Sajumohan</b>, aged 54 years, is the Promoter, Chairman and Managing Director of our Company.</p> <p><b>Date of Birth:</b> May 29, 1970</p> <p><b>Age:</b> 54 years</p> <p><b>Permanent Account Number:</b> AGXPM3944N</p> <p><b>Residential Address:</b> 10/389 Jyothis Thevarmani Chathamangalam P.O. Nemmara Palakkad Kerala 678508</p> <p><i>For complete profile of Mani Sajumohan, along with details of his educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see chapter titled '<b>Our Management - Brief biographies of Directors</b>' on page 142</i></p>
	<p><b>Gangadharan Jyothi</b>, aged 50 years, is the Promoter and Whole-Time Director of our Company.</p> <p><b>Date of Birth:</b> March 27, 1974</p> <p><b>Age:</b> 50 years</p> <p><b>Permanent Account Number:</b> AGQPJ5417Q</p> <p><b>Residential Address:</b> 10/389 Jyothis Thevarmani Chathamangalam P.O. Nemmara Palakkad Kerala 678508</p> <p><i>For complete profile of Gangadharan Jyothi, along with details of her educational qualifications, professional experience, position/ posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see chapter titled '<b>Our Management - Brief biographies of Directors</b>' on page 142.</i></p>



**Biju Uthappu**, aged 45 years, is the Promoter, and Non-executive Director of our Company.

**Date of Birth:** May 18, 1978

**Age:** 46 years

**Permanent Account Number:** ACKPU5578P

**Resident Address:** Koodarathil House Pezhumpara, Chathamangalam, Palakkad Kerala-678508

*For complete profile of Biju Uthappu, along with details of his educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see chapter titled ‘Our Management - Brief biographies of Directors’ on page 142*

## DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number(s) of our Promoters shall be submitted to the Stock Exchange at the time of filing this Draft Prospectus.

Our Company does not have any corporate promoters as on the date of this Draft Prospectus.

Our Promoters have confirmed that they have not been identified as wilful defaulters or fraudulent borrower by the RBI or any other governmental authority.

Our Promoters has not been declared as a fugitive economic offender under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a Promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## CHANGE IN CONTROL OF OUR COMPANY

Mani Sajumohan and Gangadharan Jyothi are the original Promoters of the Company. There has not been any change in the control of our Company since inception till the date of this Draft Prospectus. For further details of acquisition of Equity Shares by our Promoters, please see ‘*Capital Structure-Build-up of the shareholding of our Promoters in our Company*’ on page 66.

For details of acquisition of shareholding by our Promoters, please see ‘*Capital Structure - Build-up of Promoters shareholding in our Company*’ on page 66.

## INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their shareholding and the shareholding of their relatives in our Company and our Subsidiaries and the dividend payable, if any, and other distributions in respect of the Equity Shares of face value of ₹10 each held by them or their relatives; and (3) of being the Chairman & Managing Director, Whole-time Directors and the Key Managerial Personnel of our Company and the remuneration and reimbursement of expenses payable by our Company to them. For details in relation to the remuneration and reimbursement of expenses payable by our Company to our Directors and Key Managerial Personnel of our Company, see “*Our Management*” on page 142; (4) for the rent paid. Additionally, our Promoters may be interested in transactions entered into by our Company with the entities where the Promoters are the Proprietors. For details of shareholding of our Promoters in our Company, see “*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company*” on page

70. For details of the interest of our Promoters as Directors of our Company and as Key Managerial Personnel of our Company, see **“Our Management – Interest of Directors”, “Our Management – Terms of appointment & Remuneration to Executive Directors” and “Our Management - Interests of Key Managerial Personnel and Senior Management”** on page 147, 145 and page 153 respectively.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements, or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements, or arrangements which are proposed to be made with them other than in the normal course of business.

Except for property situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, Pin 678508, Kerala (**Unit-II**) taken on lease for a period of 30 years commencing from December 18, 2022 from Kurian Koodarathil Uthupp who is a relative of Biju Uthuppu, Promoter & non-executive Director of the Company neither the Promoters nor any member of the Promoter group have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

For further details see **“Risk Factors – Our new manufacturing facility i.e. Unit II is owned by Kurian Koodarathil Uthupp, one of the members of our Promoter Group and has been obtained by us on lease. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.”** and **“Our Business”** and **“Restated Financial Statement”** on pages 22, 114 and 161 respectively

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Except as stated under **“Our Management - Confirmations”**, none of our Promoters or natural persons forming part of the Promoter Group are persons appearing in the list of directors of struck-off companies by the respective Registrar of Companies or the MCA.

### **Business Interest**

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer to the heading - **Related Party Transactions** in **“Restated Financial Statements”** on page 161.

### **DISASSOCIATION BY OUR PROMOTERS IN THE 3 YEARS**

Except as disclosed below, none of our other Promoters have disassociated themselves from any companies or firms during the preceding 3 years from the date of filing of this Draft Prospectus -

<b>Name of Promoter</b>	<b>Name of entity</b>	<b>Date of Disassociation</b>	<b>Reason</b>
Mani Sajumohan	Supreme Textile	July 12, 2024	Dissolution of partnership
Gangadharan Jyothi	Supreme Textile	July 12, 2024	Dissolution of partnership

### **COMMON PURSUITS OF OUR PROMOTERS**

Our Company does not have any group companies. Our Promoters namely Mani Sajumohan and Gangadharan Jyothi are proprietors of Supreme Narrow Fabrics and Supreme Textile respectively which is involved the same line of activity or business as that of our Company. However, our Promoters namely Mani Sajumohan and Gangadharan Jyothi have entered into a Non-Compete Agreement with our Company pursuant to which our Promoters have agreed to close the proprietorship concern in accordance with the terms of Non-Compete Agreement.

For details of the involvement of our Promoters in other ventures which are engaged in the same line of activity or business as that of our Company, see **“Risk Factors – Certain of our Directors are involved in one or more ventures which are in the same line of business as that of our Company** on page 22.

### **PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in **“Restated Financial Statements”** on page 161, there has been no payment of benefits to our Promoters or

Promoter Group during the two years preceding the date of this Draft Prospectus.

## MATERIAL GUARANTEES

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of face value of ₹10 each of our Company.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, are as under:

**A. The natural persons who are part of the Promoter Group (due to their relationships with our Promoter), other than our Promoter, are as follows:**

Relationship	Mani Sajumohan	Gangadharan Jyothi	Biju Uthuppu
Father	Mani. T. R. (Late)	Gangadharan G	K P Udupp (Late)
Mother	Madhavi (Late)	Raji K	Saramma Uduppu (Late)
Brother	NA		Joy K U, Johny K U (Late) Varghese K Uthup (Late) Scaria K U Kurian Koodarathil Uthup
Sister	Ambika T K Prabha Haridas Rajamma Raji Binu	Josna Lakshmanan	Annamma Kuriakose Lissy Sosamma Sajy
Spouse	Gangadharan Jyothi	Mani Sajumohan	Sudha Biju
Son	NA	NA	Joel K Biju Noel K Biju
Daughter	Pooja Mohan Reshma Mohan	Pooja Mohan Reshma Mohan	NA
Spouse's Father	Gangadharan G	Mani. T. R. (Late)	T M John
Spouse's Mother	Raji K	Madhavi (Late)	Sosamma John (Late)
Spouse's Brother	NA	NA	John Mathai Mathew John T
Spouse's Sister	Josna Lakshmanan	Ambika T K Prabha Haridas Rajamma Raji Binu	Valsamma

**B. Our Promoter Group as defined under Regulation 2(1)(pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

- 1) Supreme Narrow Fabrics
- 2) Supreme Textiles
- 3) New Sanros Ayurvedic Private Limited
- 4) Nemmara Hospital and Medical Institute Private Limited
- 5) Reshma Traders

## SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of the shareholding of our Promoter and Promoter Group as on the date of this Draft Prospectus, please see “*Capital Structure*” on page 66.

## OUTSTANDING LITIGATION

There is no outstanding litigation against our Promoters except as disclosed in the “*Risk Factors*” and “*Outstanding Litigations and Material Developments*” on pages 22 and 225 respectively.



## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “**group companies**”, **includes** (i) *such companies (other than promoter and Subsidiaries with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.*

Accordingly, for (i) above, all such companies (other than the Promoters) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Draft Prospectus, our Company does not have any group companies.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see “*Financial Indebtedness*” on page 205.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

**Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.**

**SECTION VI – FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL STATEMENT**

*[The Remainder of this Page has intentionally been left blank]*

## **Independent Auditor's Examination report on Restated Financial Information of Max Supreme Textiles Limited**

To  
The Board of Directors  
**Max Supreme Textiles Limited**  
10/1051, Ayyapanpara  
Thevarmani, Chathamangalam Post  
Nemmara  
Palakkad-678508.

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Max Supreme Textiles Limited** (the "**Company**") comprising the Restated Statement of Assets and Liabilities as at June 30 2024, March 31 2024, March 31 2023 and March 31 2022 , the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the three Months Period Ended June 30,2024 and for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on November 18, 2024 for the purpose of inclusion in the Draft Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") on **SME Platform of BSE Limited ("BSE SME")**.

This restated Summary Statement has been prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**")
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Ernakualm and the Stock Exchange in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure 4.1** to the Restated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control

relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 10, 2024 in connection with the proposed IPO of equity shares of **Max Supreme Textiles Limited** (the Issuer Company) on SME platform of BSE Limited (“**BSE SME**”);
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and the requirements of Section 26 of the Act and the ICDR Regulations
  - d. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. This Restated Financial information has been compiled by the management from:
  - a. The audited Special Purpose Interim Financial Statements of the Company as at and for the three month period ended June 30,2024, prepared in accordance with the Accounting Standard (AS) 25 ‘Interim Financial Reporting’ prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on November 18,2024
  - b. Audited Financial Statements of the Company as at and for the year ended March 31,2024 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on July 12, 2024.
  - c. Audited Financial Statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 16, 2023.
  - d. Audited Financial Statements of the Company as at and for the year ended March 31, 2022 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 6, 2022.
5. We have Audited the Special Purpose Interim Financial Statements of the Company for the three months period ended June 30,2024 , standalone financial statements of the company financial year ended March 31, 2024, and Re-Audited for the financial year ended March 31, 2023 and March 31, 2022 prepared in accordance with the Indian GAAP for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm

holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to the proposed IPO, which have been approved by the Board of Directors. We have issued our report dated November 18, 2024 on this special purpose financial information to the Board of Directors who has approved these in their meeting held on November 18, 2024.

6. For the purpose of our examination, we have relied on:
  - a. Auditor's Report issued by us dated November 18, 2024 on the special Purpose Interim Financial Statements of the Company as at and for the three months period ended June 30, 2024 as referred in Paragraph 4(a) above.
  - b. Auditor's Report issued by us dated July 12, 2024 on the financial statement of the Company for the year ended March 31, 2024 as referred in Paragraph 4(b) above and
  - c. Auditor's Report issued by CA. C. SESHADRI NANDAN, for the financial years 2021-22 and 2022-23 dated September 6, 2022 and August 16, 2023 respectively as referred in Paragraph 4(c & d) above.

The Audit for the previous financial years (2021-22 and 2022-23) was conducted by the Company's previous auditor by Mr. CA. C. SESHADRI NANDAN dated September 6, 2022 and August 16, 2023 respectively for the above stated financial years. The Previous auditor is not in the position to examine the Restated statement of assets and liabilities and the Restated statements of profit and loss and Cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the Audited Financial Information). We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.

7. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the three months period ended June 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which would require adjustments in this Restated Financial Information of the Company.
8. Based on our examination and according to the information and explanations given to us, we report that:
  - a. The Restated Summary Statements have been made after incorporating adjustments for the changes accounting policies retrospectively in respective financial period /years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - b. The Restated Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 7 above.
  - c. The Restated Standalone Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - d. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years /period to which they relate, if any and there are no qualifications which require adjustments;
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the 3 months period ended June 30 2024 and

for the years ended March 31,2024, March 31, 2023 and March 31, 2022 and proposed to be included in the Draft Prospectus/ Prospectus.

<b>Annexure no.</b>	<b>Particulars</b>
<b>1</b>	<b>Statement of Assets and Liabilities as Restated</b>
<b>2</b>	<b>Statement of Profit &amp; Loss as Restated</b>
<b>3</b>	<b>Statement of Cash Flow as Restated</b>
<b>4.1</b>	<b>Notes to the Restated Summary Statements- Significant Accounting Policy</b>
<b>4.2</b>	<b>Statement of Share Capital as restated</b>
<b>4.3</b>	<b>Statement of Reserves &amp; Surpluses as restated</b>
<b>4.4</b>	<b>Statement of Long-Term Borrowings as restated</b>
<b>4.5</b>	<b>Statement of other Long-Term Liabilities as restated</b>
<b>4.6</b>	<b>Statement of Long-Term Provisions as restated</b>
<b>4.7</b>	<b>Statement of Short-Term Borrowings as restated</b>
<b>4.8</b>	<b>Statement of Trade Payable as restated</b>
<b>4.9</b>	<b>Statement of Other Current Liabilities as restated</b>
<b>4.10</b>	<b>Statement of Short-Term Provisions as restated</b>
<b>4.11.1</b>	<b>Statement of Property, Plant and Equipment &amp; Depreciations as restated</b>
<b>4.11.2</b>	<b>Statement of Intangible assets as Restated</b>
<b>4.12</b>	<b>Statement of Deferred Tax Asset( Net) as Restated</b>
<b>4.13</b>	<b>Statement of Long term Loans and Advances as Restated</b>
<b>4.14</b>	<b>Statement of Other Non-Current Assets as restated</b>

4.15	<b>Statement of Inventories as restated</b>
4.16	<b>Statement of Trade Receivable as restated</b>
4.17	<b>Statement of Cash &amp; Bank Balance as restated</b>
4.18	<b>Statement of Short term loan and advances as restated</b>
4.19	<b>Statement of Other Current Assets as restated</b>
4.20	<b>Statement of Revenue from operations as restated</b>
4.21	<b>Statement of Other Income as restated</b>
4.22	<b>Statement of Cost of Materials Consumed as restated</b>
4.23	<b>Statement of Changes in Inventories of WIP &amp; Finished Goods as restated</b>
4.24	<b>Statement of Employees Benefit Expenses as restated</b>
4.25	<b>Statement of Finance Cost as restated</b>
4.26	<b>Statement of Depreciation &amp; Amortization Expenses as restated</b>
4.27	<b>Statement of Other Expenses as restated</b>
5	<b>Statement Of Adjustments to the Restated Financial Information and Notes to adjustments</b>
6	<b>Other Financial Information</b>
7	<b>Statement Of Capitalization as restated</b>

10. We, M/s. **SGS & Company**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "**Peer Review Board**" of the ICAI.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the report on the special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.



12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and the previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Kerala in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, SGS & Company**  
**Chartered Accountants**  
**Firm Reg. No: 009889S**  
**Peer Review Certificate No: 013176**

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**CA. GEO JOB**  
**(Partner)**  
**Membership No: 210057**  
**Place: Thrissur**  
**Date: November 18, 2024**  
**UDIN: 24210057BKABVM6245**

Max Supreme Textiles Limited

CIN: U17299KL2021PLC066902

Annexure I - Restated Statement of Assets and Liabilities

(Amounts in INR Lakh, unless otherwise stated)

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2	40.00	40.00	40.00	40.00
(b) Reserves and Surplus	3	517.75	497.31	329.03	138.56
<b>Total</b>		557.75	537.31	369.03	178.56
<b>(2) Non-Current Liabilities</b>					
(a) Long-term Borrowings	4	425.53	404.72	122.49	83.29
(b) Other Long-term Liabilities	5	-	-	-	-
(c) Long-term Provisions	6	5.57	5.61	3.61	1.39
<b>Total</b>		431.10	410.33	126.10	84.69
<b>(3) Current liabilities</b>					
(a) Short-term Borrowings	7	160.35	151.94	138.42	14.57
(b) Trade Payables	8				
- Due to Micro and Small Enterprises		13.52	2.39	2.83	1.51
- Due to Others		0.08	0.08	-	-
(c) Other Current Liabilities	9	81.84	76.15	40.01	125.45
(d) Short-term Provisions	10	0.61	0.63	0.64	0.41
<b>Total</b>		256.39	231.20	181.91	141.94
<b>Total Equity and Liabilities</b>		<b>1,245.24</b>	<b>1,178.84</b>	<b>677.04</b>	<b>405.19</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	11.1	823.45	801.21	368.81	254.97
(ii) Intangible Assets	11.2	0.12	0.15	-	-
(b) Deferred Tax Assets (net)	12	8.72	8.54	4.59	1.93
(c) Long-term Loans & Advances	13	-	-	-	-
(d) Other Non-Current Assets	14	56.72	53.64	39.48	5.97
<b>Total</b>		889.02	863.53	412.88	262.87
<b>(2) Current Assets</b>					
(a) Inventories	15	89.12	39.76	35.79	30.47
(b) Trade Receivables	16	153.80	168.55	86.18	13.89
(c) Cash and Cash Equivalents	17	4.52	2.27	72.42	44.91
(d) Short-term Loans and Advances	18	106.72	102.87	69.50	52.86
(e) Other Current Assets	19	2.07	1.86	0.26	0.18
<b>Total</b>		356.22	315.30	264.16	142.31
<b>Total Assets</b>		<b>1,245.24</b>	<b>1,178.84</b>	<b>677.04</b>	<b>405.19</b>

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For SGS & Company Chartered Accountants

For and on behalf of the Board of Directors

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CA Geo Job  
(Partner)  
Membership No.210057  
Firm Registration No.0098895  
UDIN:24210057BKABVM6245

Gangadharan Jyothi  
Whole time Director  
DIN 09021765

Mani Sajumohan  
Chairman & Managing Director  
DIN 09028262

Place: Thrissur  
Date: 18.11.2024

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Kappuriparambil Gopalan Hareesh  
Company Secretary  
ACS No.67584

Velayudhan Sreejith  
Chief Financial Officer  
PAN:AUKPV3108N

**Max Supreme Textiles Limited**  
**CIN: U17299KL2021PLC066902**  
**Annexure II - Restated Statement of Profit and Loss**  
**(Amounts in INR Lakh, unless otherwise stated)**

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Revenue From Operations	20	133.80	616.21	532.06	509.52
Other Income	21	3.52	3.66	12.87	13.84
<b>Total Income</b>		<b>137.31</b>	<b>619.87</b>	<b>544.93</b>	<b>523.36</b>
<b>Expenses</b>					
Cost of Raw Materials Consumed	22	118.52	245.35	99.04	106.23
Changes In Inventories of Work In Progress, Finished Goods	23	(51.10)	(8.24)	5.83	(16.49)
Employee Benefit Expenses	24	17.11	67.88	75.85	91.11
Finance Costs	25	3.72	13.56	15.20	7.98
Depreciation and Amortization Expenses	26	9.84	52.46	55.35	34.71
Other Expenses	27	14.39	46.96	57.53	131.99
<b>Total Expenses</b>		<b>112.47</b>	<b>417.97</b>	<b>308.80</b>	<b>355.54</b>
<b>Restated Profit/(Loss) Before Exceptional and Extraordinary Item and Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Exceptional Item					
<b>Restated Profit/(Loss) Before Extraordinary Item and Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Extraordinary Item					
<b>Restated Profit/(Loss) Before Tax</b>		<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
Tax Expenses	28				
- Current Tax		4.58	37.58	48.32	31.03
- Deferred Tax		(0.19)	(3.95)	(2.66)	(1.93)
- Short /(Excess) Provision For Income Tax Of Earlier year			-	-	-
<b>Total Tax Expense</b>		<b>4.40</b>	<b>33.63</b>	<b>45.67</b>	<b>29.10</b>
<b>Restated Profit/(Loss) After Tax</b>		<b>20.44</b>	<b>168.28</b>	<b>190.47</b>	<b>138.72</b>
Restated Earnings Per Share (Face Value Per Share Rs.10 each)					
-Basic	29	5.11	42.07	47.62	43.62
-Diluted	29	5.11	42.07	47.62	43.62

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

For SGS & Company Chartered Accountants

For and on behalf of the Board of Directors

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CA Geo Job  
(Partner)  
Membership No.210057  
Firm Registration No.009889S  
UDIN:24210057BKABVM6245

Gangadharan Jyothi  
Whole time Director  
DIN 09021765

Mani Sajumohan  
Chairman & Managing Director  
DIN 09028262

Place: Thrissur  
Date: 18.11.2024

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Kappuripambal Gopalan Hareesh  
Company Secretary  
ACS No.67584

Velayudhan Sreejith  
Chief Financial Officer  
PAN:AUKPV3108N

**Max Supreme Textiles Limited**  
**CIN: U17299KL2021PLC066902**  
**Annexure III - Restated Statement of Cash Flows**  
**(Amounts in INR Lakh, unless otherwise stated)**

Particulars	Annexure IV Note	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit After Tax		20.44	168.28	190.47	138.72
Depreciation and Amortisation Expense		9.84	52.46	55.35	34.71
Provision For Tax		4.40	33.63	45.67	29.10
Loss/(Gain) On Sale / Discard Of Assets (Net)		-	-	-	(0.29)
Interest Expense (Interest Income)		(0.23)	(1.95)	(4.93)	(13.54)
Finance Costs		1.95	9.97	11.49	7.98
<b>Operating Profit Before Working Capital Changes</b>		<b>36.40</b>	<b>262.38</b>	<b>298.05</b>	<b>196.67</b>
Adjustment For:					
Inventories		(49.36)	(3.97)	(5.32)	(30.47)
Trade Receivables		14.75	(82.36)	(72.29)	8.75
Loans and Advances & Other Assets		(7.14)	(49.13)	(50.23)	(58.74)
Trade Payables		11.13	(0.36)	1.32	0.68
Other Liabilities		5.68	36.15	(85.44)	125.45
Other Provisions		(0.07)	1.99	2.45	1.72
Cash Generated From Operations		11.39	164.69	88.54	244.06
Tax Paid(Net)		(4.58)	(37.58)	(48.32)	(31.03)
<b>Net Cash From Operating Activities</b>		<b>6.81</b>	<b>127.12</b>	<b>40.22</b>	<b>213.03</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Property, Plant and Equipment		(32.06)	(485.00)	(169.19)	(287.18)
Sale of Property, Plant and Equipment		-	-	-	3.62
Purchase Of Intangible Assets		-	-	-	-
Proceeds For Capital Work-in-progress		-	-	-	-
Bank Balances Not Considered As Cash and Cash Equivalents		-	-	-	-
Interest received		0.23	1.95	4.93	13.54
<b>Net Cash (Used in) Investing Activities</b>		<b>(31.83)</b>	<b>(483.05)</b>	<b>(164.27)</b>	<b>(270.01)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds From Issue Of Share Capital		-	-	-	34.00
Proceeds From Long Term Borrowings		-	301.77	103.05	97.86
Repayment Of Long Term Borrowings		(3.70)	-	-	-
Proceeds From Short Term Borrowings		32.92	53.98	60.00	-
Repayment Of Short Term Borrowings		-	(60.00)	-	(23.75)
Interest and Other Borrowing Cost		(1.95)	(9.97)	(11.49)	(7.98)
<b>Net Cash (Used in) / Generated From Financing Activities</b>		<b>27.27</b>	<b>285.78</b>	<b>151.56</b>	<b>100.13</b>
<b>Net (Decrease) In Cash and Cash Equivalents</b>		<b>2.25</b>	<b>(70.15)</b>	<b>27.51</b>	<b>43.15</b>
Opening Balance of Cash and Cash Equivalents		2.27	72.42	44.91	1.76
<b>Closing Balance of Cash and Cash Equivalents</b>	17	<b>4.52</b>	<b>2.27</b>	<b>72.42</b>	<b>44.91</b>

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - IV and Statement of Adjustments to Audited Financial Statements appearing in Annexure - V.

This is the Restated Statement of Cash Flows referred to in our report of even date.

For SGS & Company Chartered Accountants

For and on behalf of the Board of Directors

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CA Geo Job  
(Partner)  
Membership No.210057  
Firm Registration No.0098895  
UDIN:24210057BKABVM6245

Gangadharan Jyothi  
Whole time Director  
DIN 09021765

Mani Sajumohan  
Chairman & Managing Director  
DIN 09028262

Place: Thrissur  
Date: 18.11.2024

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Kappuripambil Gopalan Hareesh  
Company Secretary  
ACS No.67584

Velayudhan Sreejith  
Chief Financial Officer  
PAN:AUKPV3108N

**1 A. Corporate Information**

The Company having CIN: U17299KL2021PLC066902 was incorporated in the State of Kerala in India on January 13, 2021 and commenced its business thereafter. The company is presently engaged in the manufacturing of textiles, technical textiles namely narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes etc.

**B. Significant Accounting Policies**

**Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounts), Rules 2014 (as amended) and the relevant provisions of the Companies Act 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The company is a **Small and Medium sized Company (SMC)** as defined in general instruction in respect of Accounting Standards notified under Companies (Accounts), Rules 2014 (as amended) and the relevant provisions of the Companies Act 2013. Accordingly, the company has complied with the accounting standards as applicable to a small and medium sized company.

**Use of Estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as on the date of the financial statements and reported amounts of income and expenses during the year. The estimates and assumptions used in financial statements are based upon the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Example of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable property, plant and equipment and provisions for impairment.

**Property, Plant & Equipment**

Tangible fixed assets are stated at cost of acquisition, net of GST Input wherever applicable, and inclusive of inward freight, other duties and taxes and incidental expenses related to acquisition, less accumulated depreciation and impairment loss, if any. Expenditure with respect to cost of financing upto trial run (net of revenue) are capitalized.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses.

**Depreciation**

Depreciation on fixed assets is calculated in a manner that amortizes the cost of assets after commissioning over their estimated economic lives or lives as specified in Schedule-II of the Companies Act, 2013 by the written down value method. Capital Assets located at the leasehold land, whose ownership does not vest with the company are depreciated over their useful life.

The Company depreciates property, plant and equipment over their estimated useful lives using the WDV method. The estimated useful lives of assets are as follows:

Asset	Useful Life (WDV)
Buildings	30 years
Electrical Equipments	10 years
Plant & Machinery	15 years
Furniture & Fittings	10 years
Computer	3 years
Vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Amortization on intangible assets, including computer software, is calculated in a manner that amortizes the cost over an estimated useful economic life of 3 years from the date of

**Impairment of assets**

At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to statement of profit and loss in the year in which it is identified as impaired.

**Foreign Currency Transaction**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of transaction.

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of transaction. All non monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency are reported using exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. A monetary assets and liabilities is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has term of 12 months or more at the date of origination of asset or liability.

Exchange differences on restatement of all other monetary items are recognized in statement of profit and Loss.

Foreign currency operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of net investment, at which time they are recognized as income or as expenses. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the company itself.

**Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost.

**Inventories**

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

- a) Raw Material: - Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on First in First out basis (FIFO).
- b) Finished Goods and Work-in-Progress: - Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "First in First out basis (FIFO)".
- c) Stock in Trade: - Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on —First in First out basis (FIFO)".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

#### Current Assets and Current Liabilities

An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being sold;
- It is expected to be realized within twelve months after the reporting date;
- It is cash and cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as **non-current assets**.

A liability is classified as current liabilities when it satisfies any of the following criteria:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled with in twelve months after the reporting period ; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current liabilities.

#### Operating Cycle

Operating cycle is the time from acquisition of an asset in the normal course of business till its consumption in processing or sale and realization in cash or cash equivalents. During the period under report, period of operating cycle is taken as 12 months and relevant classifications of balance sheet figures are made on that basis.

#### Revenue Recognition

All incomes, which can be determined with reasonable certainty and are collectible in nature, are considered as the revenue for the year on accrual basis. Revenue from sale of products are disclosed net off GST and revenue from sale of services are disclosed net off GST.

Income is the total amount received/receivable by the Company for services provided including reimbursements of expenses incurred on behalf of clients and excluding taxes and discounts, if any. Other incomes including interest from banks are considered on accrual basis.

#### Deferred Revenue Expense

As per Companies' formulated policies, when economic benefits are expected to arise over several accounting periods, expenses are recognized in the Profit & Loss statement on the basis of systematic and rational allocation procedures over the period of 5 years. An expense is recognized immediately in the Profit & Loss statement when it does not need or ceases to meet the definition of Assets or when no future benefit is expected

#### Purchases

Purchases are disclosed at gross value and GST input is taken where law permits. In case of blocked input this is charged to Revenue expenses under the head "Duties and Taxation".

#### Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

#### Employee benefits

##### A. Defined Benefit Plans

###### Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The provision is calculated based on actuarial valuations conducted as per the Projected Unit Credit Method.

##### B. Other Long-Term Employee Benefits

###### Leave Encashment

The company provides for leave encashment based on actuarial valuations conducted as per the Projected Unit Credit Method. The provision for leave encashment is unfunded.

##### C. Defined Contribution Plans

Defined contribution plan is provident fund scheme administrated by government for all eligible employees. The company's contribution to defined contribution plan is recognized in the statement of profit & loss in financial year to which they relate.

##### D. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits include compensated absence such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees are recognized as an expense during the respective periods, year ended 31, March 2022, 31, March 2023, 31, March 2024 and the period ended 30, June 2024.

These provisions ensure the company meets its long-term employee benefit obligations and accurately reflects the financial impact of these benefits in the financial statements.

#### Borrowing cost

Borrowing cost are attributable to acquisition and construction of assets are capitalised as part of cost of such assets upto the date when such assets are ready for intended use and other borrowing cost are charged to statement of profit and loss account.

#### Taxation

Current income tax expense comprises taxes on income from operations in India. Income Tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. In accordance with the transitional provisions contained in schedule II of the Companies Act 2013, where the remaining useful life of an asset is Nil, carrying amount of such asset less residual value is charged to the retained earnings account. The tax effect of the same has been also adjusted directly against the retained earnings in accordance with the ICAI announcements, "tax effect of expenses/income adjusted directly against the reserves and / securities premium account."

Minimum Alternative Tax (MAT) is not applicable to the company as the company has opted concessional rate of tax under section 115BAB of the income tax act 1961 from the year 2021-22 onwards and hence MAT is not recognized as an asset in the Balance sheet.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

#### Deferred Tax Expense or Benefit

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

#### Cash and Bank Balances

Cash and bank balances consist of (i) Cash and cash equivalents which includes cash on hand, balance with banks in Current accounts.

#### Earning Per Share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares. For the purpose of calculating

#### Cash Flow Statement

Cash Flow Statement of the company is prepared following 'indirect method'.

#### Contingent Liabilities and assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligations and there is a reliable estimate of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

A disclosure for a Contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

All liabilities having a reasonable prospect of maturing and known up to a cut-off date are provided for in the financial statements. Other claims against the Company not acknowledged as debt are disclosed after a careful evaluation of the facts and legal aspects of the matter involved by way of a note and are not recognised for accounting or taxation purposes. Contingent assets, if any, are neither recognized nor disclosed.

**For SGS & Company Chartered Accountants**

**For and on behalf of the Board of Directors**

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**CA Geo Job**  
**(Partner)**  
**Membership No.210057**  
**Firm Registration No.0098895**  
**UDIN:24210057BKABVM6245**

**Gangadharan Jyothi**  
**Whole time Director**  
**DIN 09021765**

**Mani Sajumohan**  
**Chairman & Managing Director**  
**DIN 09028262**

**Place: Thrissur**  
**Date: 18.11.2024**

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-sd-

**Kappuriparambil Gopalan Hareesh**  
**Company Secretary**  
**ACS No.67584**

**Velayudhan Sreejith**  
**Chief Financial Officer**  
**PAN:AUKPV3108N**

Max Supreme Textiles Limited

CIN: U17299KL2021PLC066902

Annexure IV - Notes to the Restated Financial Information

(Amounts in INR Lakh, unless otherwise stated)

2 Share Capital

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Authorised Share Capital</b>				
Equity Shares, Rs. 10 (Previous year Rs. 10) Par Value, 400000 (Previous Year -400000) Equity Shares	40.00	40.00	40.00	40.00
<b>Issued, Subscribed and Fully Paid up Share Capital</b>				
Equity Shares, Rs. 10 (Previous Year Rs. 10) Par Value, 400000(Previous Year -400000) Equity Shares Paid Up	40.00	40.00	40.00	40.00
<b>Total</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>	<b>40.00</b>

(i) Reconciliation Of Number Of Shares

Particulars	As at 30 June 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	No. of shares	(INR in '00000)	No. of shares	(INR in '00000)	No. of shares	(INR in '00000)	No. of shares	(INR in '00000)
Opening Balance	4,00,000	40.00	4,00,000	40.00	4,00,000	40.00	60,000	6.00
Issued During the year	-	-	-	-	-	-	3,40,000	34.00
Deletion During the year	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,00,000</b>	<b>40.00</b>	<b>4,00,000</b>	<b>40.00</b>	<b>4,00,000</b>	<b>40</b>	<b>4,00,000</b>	<b>40</b>

Note:

Pursuant to an ordinary resolution in an Extra ordinary General Meeting of the Company held on 16th June 2021, Authorised capital was increased from 10 Lakhs to 40 Lakhs during the year 2021-22 and 340000 shares having face value of Rs.10 were issued during 2021-22 which is subscribed and paid up fully.

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 (previous year Rs. 10) per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares Name Of Shareholder	As at 30 June 2024		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	No. of shares	In %	No. of shares	In %	No. of shares	In %	No. of shares	In %
Gangadaran Jyothi	1,19,778	29.94%	1,19,778	29.94%	97,500	24.38%	97,500	24.38%
Mani Sajumohan	1,19,779	29.94%	1,19,779	29.94%	97,500	24.38%	97,500	24.38%
Pooja Mohan	-	0.00%	-	0.00%	2,05,000	51.25%	2,05,000	51.25%
Kuriachan Udupp	36,000	9.00%	36,000	9.00%	-	0.00%	-	0.00%
Biju Uthuppu	98,343	24.59%	98,343	24.59%	-	0.00%	-	0.00%

(iv) Shares held by Promoters at the end of the period 30 June 2024

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the period
Gangadaran Jyothi	Equity	1,19,778	29.94%	0.00%
Mani Sajumohan	Equity	1,19,779	29.94%	0.00%
Biju Uthuppu	Equity	98,343	24.59%	0.00%

Shares held by Promoters at the end of the year 31 March 2024

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Gangadaran Jyothi	Equity	1,19,778	29.94%	22.85%
Mani Sajumohan	Equity	1,19,779	29.94%	22.85%
Biju Uthuppu	Equity	98,343	24.59%	0.00%

Shares held by Promoters at the end of the year 31 March 2023

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Gangadaran Jyothi	Equity	97,500	24.38%	-
Mani Sajumohan	Equity	97,500	24.38%	-
Pooja Mohan	Equity	2,05,000	51.25%	-



Shares held by Promoters at the end of the year 31 March 2022

Name of Promotor	Class of Shares	No. of Shares	% of total shares	% Change during the year
Gangadaran Jyothi	Equity	97,500	24.38%	-
Mani Sajumohan	Equity	97,500	24.38%	-
Pooja Mohan	Equity	2,05,000	51.25%	-

(v) Increase of authorised share capital

Pursuant to an ordinary resolution in an Extra ordinary General Meeting of the Company held on 16th June 2021, Authorised capital was increased from 10 Lakhs to 40 Lakhs during the year 2021-22 and 340000 shares having face value of Rs.10 were issued during 2021-22 which is subscribed and paid up fully.

3 Reserves and Surplus

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Statement Of Profit and Loss</b>				
Balance At The Beginning Of the Year	497.31	329.03	138.56	(0.16)
Add: Profit During the Year	20.44	168.28	190.47	138.72
<b>Balance at the end of the year</b>	<b>517.75</b>	<b>497.31</b>	<b>329.03</b>	<b>138.56</b>

4 Long - term Borrowings

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Secured Term Loans From Banks	135.82	128.37	96.12	83.29
Secured Term Loans From Kerala Financial Corporation	289.72	276.35	26.37	-
<b>Total</b>	<b>425.53</b>	<b>404.72</b>	<b>122.49</b>	<b>83.29</b>

4.1 Particulars Of Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No of Installment
ICICI Bank - Term Loan	Cheque, Movable Fixed Assets, Immovable Fixed assets located at No.10/389 Jyothis, Thevarmani, Chathamangalam P.O, Nemmara, Palakkad, Chittur, Kerala-678508	Repo rate of 6.5% Plus Spread 2.75%	75,873.02	63.00
SIDBI- Term Loan	Plant, Machinery, Equipment, Tools, Spares, Accessories,all other assets and FDR	Repo rate of 6.25% Plus Spread 1.3%. Effective interest rate 7.55%	Rs.191000 For 53 Installments and 204000 on 54th installement.	54
State Bank of India - Car Loan	Motor Vehicle - Car	8.85%	84,870.00	84

Kerala Financial Corporation - Term Loan Under CMEDP II	Primary security of land admeasuring to 139.88 ares in survey no.18/1-8 in Nemmara Village, Chittur Thaluk, Palakkad district. Colleteral Security by way of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District Along with building and plant and machinery	5.00%	1-12 Months @ 200000, 13-36 Months @ 290000, 37-60 Months @ 295000, 61-71Months @ 296000, 72nd Month @ 304000	72
Kerala Financial Corporation - Term Loan Under Modernization Scheme	Primary security of land admeasuring to 139.88 ares in survey no.18/1-8 in Nemmara Village, Chittur Thaluk, Palakkad district. Colleteral Security by way of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District Along with building and plant and machinery	9.00%	1-12 Months @ 100000, 13-24 Months @ 175000, 25-36 Months @ 210000, 37-72 Months @ 255000	72
South Indian Bank - Term Loan - Building	Primary security by way of mortgage of assets constructed utilising the Term Loan. Collateral Security is on property admeasuring to 0.087 Hectare in sy No.196/2(Old Sy.No.79,80/1,81/1) situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in future in the name of Mrs.G Jyothi and Property admeasuring 0.1741 Hectare in Sy.No.84/1,85,82,84/1 Re.Sy.No.194/10/1,198/3 situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in the future in the	10.65%	66,000.00	84
South Indian Bank- Term Loan - Machinery	Primary Security by way of Hypothecation of assets acquired using the term loan. Collateral Security is on property admeasuring to 0.087 Hectare in sy No.196/2(Old Sy.No.79,80/1,81/1) situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in future in the name of Mrs.G Jyothi and Property admeasuring 0.1741 Hectare in Sy.No.84/1,85,82,84/1 Re.Sy.No.194/10/1,198/3 situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to	10.65%	1,26,400.00	84

**Notes:**

**4.2 Details of Terms of Repayment and details of security provided in respect of the secured Long-Term Borrowings:**

**a) ICICI Bank - Term Loan (A/C No.603090029713)**

First charge by way of hypothecation of Cheque, Movable fixed assets and Immoveable fixed asset located at No.10/389 Jyothis, Thevarmani, Chathamangalam P.O, Nemmara, Palakkad, Chittur, Kerala-678508. Interest Rate is at repo rate 6.50% Plus Spread of 2.75% p.a.. The loan is repayable in 63 equal monthly installments of Rs. 75,873/- (Loan amount of Rs. 47.8 lakhs , total tenor -63 months)

**b) SIDBI - Term Loan ( A/C No.D000572R)**

first charge by way of hypothecation of Plant, Machinery, Equipment, Tools, Spares and Accessories and all other asset and second charge is by way of hypothecation of fixed deposit receipt of Rs.25.82 Lakhs. The loan is repayable in 53 equal monthly Installments of Rs. 1,91,000/- and 204000 on 54th installment (Loan amount of Rs.103.27 Lakhs) after a moratorium of 6 months date was began from Aug 2023 and end on January 2028 (total tenor - 54 months).

c) SBI Car Loan (A/C No.41733473059)

First charge by way of hypothecation of Motor Car manufactured by BMW India, Asset Model X1. Interest Rate is 8.85% to be linked at time of limit set/ loan booking will be applicable p.a.The loan is repayable in 84 equal monthly Installments of Rs.84,870/-.

d) KFC- Term Loan under CMEDP II Scheme ( A/C No.081380510)

Primary Security by way of hypothecation of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District. Collateral Security by way of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District , Building consists of Industrial building, Office and guest room building and Staff quarters located at Nemmara, Chittur, Palakkad and Plant and Machinery. Interest Rate is 5% p.a. The loan is repayable in 72 monthly Installments of 1-12 @200000, 13-36@290000, 37-60@295000, 61-71@296000, 72@304000.

e) KFC - Term Loan under modernization Scheme ( A/C No.081380511)

Primary Security by way of hypothecation of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District. Collateral Security by way of Land Re.Sy No.18/1-8 consists of 150.87 ares situated at Nemmara village, Chittur Taluk, Palakkad District Building consists of Industrial building, Office and guest room building and Staff quarters located at Nemmara, Chittur, Palakkad and Plant and Machinery . Interest Rate is 9% p.a. The loan is repayable in 72 monthly Installments of 1-12 @ 100000, 13-24 @ 175000, 25-36 @ 210000, 37-72 @ 255000.

f) SIB - Term Loan - Building (A/C No.00566200000691)

Primary security by way of mortgage of assets constructed utilising the Term Loan. Collateral Security is on property admeasuring to 0.087 Hectare in sy No.196/2(Old Sy.No.79,80/1,81/1) situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in future in the name of Mrs.G Jyothi and Property admeasuring 0.1741 Hectare in Sy.No.84/1,85,82,84/1 Re.Sy.No.194/10/1,198/3 situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in the future in the name of M/S Max Supreme Textiles Pvt Ltd represented by Director Ms.Pooja Mohan. The loan is repayable in 84 monthly installments of Rs.66,000/-. Interest rate is 10.65%.

g) SIB - Term Loan - Machinery (A/C No.00566200000692)

Primary Security by way of Hypothecation of assets acquired using the term loan. Collateral Security is on property admeasuring to 0.087 Hectare in sy No.196/2(Old Sy.No.79,80/1,81/1) situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in future in the name of Mrs.G Jyothi and Property admeasuring 0.1741 Hectare in Sy.No.84/1,85,82,84/1 Re.Sy.No.194/10/1,198/3 situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in the future in the name of M/S Max Supreme Textiles Pvt Ltd represented by Director Ms.Pooja Mohan.

The loan is repayable in 84 equal monthly installments of Rs.1,26,400/- . Interest rate is 10.65%.

5 Other Long Term Liabilities

Particulars	As at June 2024	30 As at March 2024	31 As at 31 March 2023	As at 31 March 2022
Long Term Liabilities	-	-	-	-
<b>Total</b>	-	-	-	-

6 Long Term Provisions

Particulars	As at June 2024	30 As at March 2024	31 As at 31 March 2023	As at 31 March 2022
Provision For Employee Benefits				
- Provision For Gratuity (Note-33)	3.91	3.89	2.26	0.86
- Provision For Leave Encashment (Note-33)	1.66	1.73	1.35	0.53
<b>Total</b>	<b>5.57</b>	<b>5.61</b>	<b>3.61</b>	<b>1.39</b>

## 7 Short-term Borrowings

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>				
Loan Repayable On Demand - From Bank				
- ICICI Bank - Overdraft	68.90	53.98	-	-
- South Indian Bank - Overdraft	-	-	60.00	-
	68.90	53.98	60.00	-
<b>Current Maturity Of Long Term Borrowings</b>				
<b>Term Loans From Bank</b>				
- ICICI Bank - Term Loan	6.82	9.10	-	-
- SIDBI- Term Loan	17.21	22.95	22.95	-
- SBI - Car Loan	5.67	7.57	7.57	-
- KFC - Term Loan Under CMEDP II	25.00	33.33	33.33	-
- KFC - Term Loan Under Modernization Scheme	18.75	25.00	-	-
- SIB - Term Loan- Building	-	-	9.57	9.57
- SIB- Term Loan-Machinery	-	-	5.00	5.00
	73.45	97.96	78.42	14.57
<b>Unsecured</b>				
Loans and Advances From Related Parties				
- From Directors	18.00	-	-	-
	18.00	-	-	-
<b>Total</b>	<b>160.35</b>	<b>151.94</b>	<b>138.42</b>	<b>14.57</b>

### Notes:

#### 7.1 a) Security Details Of Loan Repayable On Demand From Bank;

##### i) ICICI Bank - Overdraft (A/C No.266805000708)

Hypothecation of cheque, movable fixed asset and immovable fixed asset located at No.10/389 Jyothis, Thevarmani, Chathamangalam P.O, Nemmara, Palakkad, Chittur, Kerala-678508. Interest Rate is at repo rate 6.50% Plus Spread of 2.75% p.a.

##### ii) South India Bank Limited Overdraft (A/C No.0056657000000012)

Primary security by way of hypothecation of stock of raw materials, stock in process, finished goods, stock in transit, packing materials, entire current assets(both present and future) of the company/Firm and export receivables backed by documents of title to goods drawn under export order/accepted bills of exchange drawn under export order/bills of exchange drawn under letter of credit. Collateral Security is on property admeasuring to 0.087 Hectare in sy No.196/2(Old Sy.No.79,80/1,81/1) situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in future in the name of Mrs.G Jyothi and Property admeasuring 0.1741 Hectare in Sy.No.84/1,85,82,84/1 Re.Sy.No.194/10/1,198/3 situated in Vallanghy Village, Chittur Taluk, Palakkad District, together with all buildings, existing and/or to be constructed there on in the future in the name of M/S Max Supreme Textiles Pvt Ltd represented by Director Ms.Pooja Mohan.

##### b) Loans and advances from related parties (Directors)

Interest free loans taken from directors which is repayable on demand.

	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	18.00	Nil	Nil	Nil

##### c) Current maturities of long term borrowing

Refer Note No-5 (1) For details of securities, rate of interest and terms of repayments related to current maturities of long term borrowing

## 8 Trade Payables

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Trade Payables</b>				
Due to Micro and Small Enterprises	13.52	2.39	2.83	1.51
Due to Others	0.08	0.08	-	-
<b>Total</b>	<b>13.60</b>	<b>2.47</b>	<b>2.83</b>	<b>1.51</b>

8.1 Trade Payable ageing schedule as at 30 June 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	13.52			-	13.52
Others	0.08				0.08
Disputed Dues- MSME	-			-	-
Disputed Dues- Others	-			-	-
Sub total	13.60			-	13.60
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>13.60</b>			<b>-</b>	<b>13.60</b>

8.2 Trade Payable ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2.39			-	2.39
Others	0.08				0.08
Disputed Dues- MSME	-			-	-
Disputed Dues- Others	-			-	-
Sub total	2.47			-	2.47
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>2.47</b>			<b>-</b>	<b>2.47</b>

8.3 Trade Payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2.83			-	2.83
Others	-				-
Disputed Dues- MSME	-			-	-
Disputed Dues- Others	-			-	-
Sub total	2.83			-	2.83
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>2.83</b>			<b>-</b>	<b>2.83</b>

8.4 Trade Payable ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.51			-	1.51
Others	-			-	-
Disputed Dues- MSME	-			-	-
Disputed Dues- Others	-			-	-
Sub total	1.51			-	1.51
MSME - Undue					
Others - Undue					
<b>Total</b>	<b>1.51</b>			<b>-</b>	<b>1.51</b>

9 Other Current Liabilities

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance from Customers	0.55	0.56	0.36	76.86
<b>Other Payables</b>				
- Creditors - Capital Work In Progress	33.08	32.15	4.99	7.11
- ESI Payable	0.15	0.16	0.14	0.11
- PF Payable	0.49	0.49	0.23	0.32
- TDS Payable	(0.26)	0.29	2.19	0.01
- GST RCM Payable	0.14	0.13	0.01	0.05
- Income Tax Payable	42.16	37.58	28.16	31.03
- Professional Tax Payable	0.23	0.09	0.11	-
- Salary and Wages Payable	5.27	4.67	3.81	3.37
- Director's Remuneration Payable		-	-	6.59
- ITC Reversible	0.04	0.04	-	-
<b>Total</b>	<b>81.84</b>	<b>76.15</b>	<b>40.01</b>	<b>125.45</b>

10 Short term provisions

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Provision For Employee Benefits</b>				
- Provision For Gratuity (Note-33)	0.02	0.01	0.01	0.00
- Provision For Leave Encashment(Note-33)	0.32	0.34	0.33	0.10
- Labour Welfare Fund Employer's Contribution Payable	(0.03)	(0.03)	0.00	-
<b>Others</b>				
- Provision For Audit Fees	0.30	0.30	0.30	0.30
<b>Total</b>	<b>0.61</b>	<b>0.63</b>	<b>0.64</b>	<b>0.41</b>

Max Supreme Textiles Limited

CIN: U17299KL2021PLC066902

Annexure IV - Notes to the Restated Financial Information

(Amounts in INR Lakh, unless otherwise stated)

11.1 Property, Plant and Equipment

Particulars	Land	Capital work in progress	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Computers	Vehicle	Electric Vehicle	UPS	Total
<b>Gross Carrying Amount</b>										
As at April 2022	5.56	109.36	148.24	19.94	3.88	2.70				289.68
Addition	-	58.83	47.28	4.14	0.12	0.44	58.39			169.19
Deduction	-	-	-	-	-	-				-
As at March 2023	5.56	168.18	195.52	24.07	4.00	3.14	58.39			458.87
As at April 2023	5.56	168.18	195.52	24.07	4.00	3.14	58.39	-	-	458.87
Addition		454.11	5.58	16.15	0.46	0.48	-	1.35	6.48	484.61
Deduction	-	-	-	-	-	-				-
As at March 2024	5.56	622.29	201.11	40.22	4.46	3.62	58.39	1.35	6.48	943.48
As at April 2024	5.56	622.29	201.11	40.22	4.46	3.62	58.39	1.35	6.48	943.48
Addition		19.70	4.26	7.57	0.52	-	-	-	-	32.06
Deduction	-	-	-	-	-	-				-
As at June 2024	5.56	641.99	205.37	47.79	4.98	3.62	58.39	1.35	6.48	975.54

<b>Accumulated Depreciation</b>										
As at April 2021	-	-	-	-	-	-				-
Addition	-		26.84	5.16	1.01	1.71				34.71
Deduction	-									-
As at March 2022	-	-	26.84	5.16	1.01	1.71				34.71
As at April 2022	-	-	26.84	5.16	1.01	1.71				34.71
Addition	-		30.54	4.90	0.78	0.91	18.24			55.35
Deduction	-									-
As at March 2023	-	-	57.38	10.06	1.78	2.61	18.24			90.06
As at April 2023	-	-	57.38	10.06	1.78	2.61	18.24	-	-	90.06
Addition	-		26.02	7.81	0.69	0.64	12.54	0.42	4.09	52.21
Deduction	-									-
As at March 2024	-	-	83.39	17.87	2.48	3.25	30.78	0.42	4.09	142.27
As at April 2024	-	-	83.39	17.87	2.48	3.25	30.78	0.42	4.09	142.27
Addition	-		5.36	1.63	0.16	0.06	2.16	0.07	0.38	9.81
Deduction	-									-
As at June 2024	-	-	88.75	19.50	2.64	3.31	32.93	0.49	4.47	152.09

<b>Net Carrying Amount</b>										
As at 31st March 2022	5.56	109.36	121.41	14.77	2.88	1.00	-			254.97
As at 31st March 2023	5.56	168.18	138.15	14.02	2.22	0.53	40.15			368.81
As at 31st March 2024	5.56	622.29	117.71	22.35	1.99	0.37	27.61	0.93	2.39	801.21
As at 30th June 2024	5.56	641.99	116.62	28.30	2.35	0.31	25.46	0.85	2.01	823.45

Max Supreme Textiles Limited  
CIN: U17299KL2021PLC066902  
Annexure IV - Notes to the Restated Financial Information  
(Amounts in INR Lakh, unless otherwise stated)

11.2 Intangible Assets

Particulars	Computers Software	Licenses	Total
<b>Gross Carrying Amount</b>			
As at April 2021	-	-	-
Addition	-	-	-
Deduction	-	-	-
As at March 2022	-	-	-
As at April 2022	-	-	-
Addition	-	-	-
Deduction	-	-	-
As at March 2023	-	-	-
As at April 2023	-	-	-
Addition	0.39	-	0.39
Deduction	-	-	-
As at March 2024	0.39	-	0.39
As at April 2024	0.39	-	0.39
Addition	-	-	-
Deduction	-	-	-
As at June 2024	0.39	-	0.39

<b>Accumulated Amortisation And Impairment</b>			
As at April 2021	-	-	-
Addition	-	-	-
Deduction	-	-	-
As at March 2022	-	-	-
As at April 2022	-	-	-
Addition	-	-	-
Deduction	-	-	-
As at March 2023	-	-	-
As at April 2023	-	-	-
Addition	0.25	-	0.25
Deduction	-	-	-
As at March 2024	0.25	-	0.25
As at April 2024	0.25	-	0.25
Addition	0.02	-	0.02
Deduction	-	-	-
As at June 2024	0.27	-	0.27
<b>Net Carrying Amount</b>			
As at March 2022	-	-	-
As at March 2023	-	-	-
As at March 2024	0.15	-	0.15
As at June 2024	0.12	-	0.12



12 Deferred Tax Assets Net

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred Tax Asset/(Liability)-Net	8.72	8.54	4.59	1.93
<b>Total</b>	<b>8.72</b>	<b>8.54</b>	<b>4.59</b>	<b>1.93</b>

12.1 Significant Components of Deferred Tax

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Deferred Tax Asset</b>				
Difference between book depreciation and tax depreciation	8.72	8.54	4.59	1.93
<b>Gross Deferred Tax Asset (A)</b>	<b>8.72</b>	<b>8.54</b>	<b>4.59</b>	<b>1.93</b>
<b>Deferred Tax Liability</b>				
Difference between book depreciation and tax depreciation	-	-	-	-
<b>Gross Deferred Tax Liability (B)</b>				
<b>Net Deferred Tax Asset (A)-(B)</b>	<b>8.72</b>	<b>8.54</b>	<b>4.59</b>	<b>1.93</b>

12.2 Reasons for deferred tax asset / liability

Depreciation as per Restated FS is calculated as per the method prescribed under companies Act 2013. But allowable depreciation is worked out as per Income tax Act 1961

13 Long Term Loans & Advances

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital Advances		-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

14 Other Non Current Assets

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Security deposits</b>				
- Electricity Deposit	2.37	2.37	1.72	0.27
-EPCG Bank Guarantee		-	-	4.08
<b>Others</b>				
- Fixed Deposit SIDBI	25.82	25.82	25.82	-
- Fixed Deposit KSFE Nenmara	15.69	13.58	11.95	1.63
- Fixed Deposit KSFE Alathur	12.74	11.77	-	-
- NSDL Deposit	0.10	0.10	-	-
<b>Total</b>	<b>56.72</b>	<b>53.64</b>	<b>39.48</b>	<b>5.97</b>

## 15 Inventories

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Raw Materials	19.11	20.85	25.13	13.98
Finished Goods	65.59	18.01	10.67	16.49
Stores and Spares	1.00	0.30	-	-
Packing Materials	3.41	0.59	-	-
<b>Total</b>	<b>89.12</b>	<b>39.76</b>	<b>35.79</b>	<b>30.47</b>

## 16 Trade Receivables

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Undisputed Trade Receivables- Considered Good	153.80	168.55	86.18	13.89
<b>Total</b>	<b>153.80</b>	<b>168.55</b>	<b>86.18</b>	<b>13.89</b>

## 16.1 Trade Receivables ageing schedule as at 30 June 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-	144.75	8.23	0.82	-	-	153.80
Undisputed Trade Receivables-	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
<b>Sub Total</b>	<b>144.75</b>	<b>8.23</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>153.80</b>
Undue - Considered Good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
Undue - Considered Doubtful	-	-	-	-	-	-
Provision For Doubtful Debts	-	-	-	-	-	-
<b>Total</b>	<b>144.75</b>	<b>8.23</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>153.80</b>

## 16.2 Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-	-	-	-	-	-	-
Considered Good	167.70	0.85	-	-	-	168.55
Undisputed Trade Receivables-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
<b>Sub Total</b>	<b>167.70</b>	<b>0.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168.55</b>
Undue - Considered Good	-	-	-	-	-	-
Undue - Considered Doubtful	-	-	-	-	-	-
Provision For Doubtful Debts	-	-	-	-	-	-
<b>Total</b>	<b>167.70</b>	<b>0.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168.55</b>

## 16.3 Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-	85.36	0.82	-	-	-	86.18
Considered Good	-	-	-	-	-	-
Undisputed Trade Receivables-	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
<b>Sub Total</b>	<b>85.36</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86.18</b>
Undue - Considered Good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision For Doubtful Debts	-	-	-	-	-	-
<b>Total</b>	<b>85.36</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86.18</b>

16.4 Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- Considered Good	13.89	-	-	-	-	13.89
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-
Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
<b>Sub Total</b>	<b>13.89</b>	-	-	-	-	<b>13.89</b>
Undue - Considered Good	-	-	-	-	-	-
Undue - Considered Doubtful	-	-	-	-	-	-
Provision For Doubtful Debts	-	-	-	-	-	-
<b>Total</b>	<b>13.89</b>	-	-	-	-	<b>13.89</b>

17 Cash and cash equivalents

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
- Cash On Hand	0.11	0.55	0.24	0.03
<b>- Balances With Banks</b>				
- SIB A/C N.3978	1.84	0.31	67.50	19.17
- SBI A/C No.1008	2.39	1.23	3.51	0.46
- ESAF SF Bank A/C No.8641	0.18	0.18	1.18	0.15
- ESAF Fixed Deposit A/C No.7748	-	-	-	25.10
	4.52	2.27	72.42	44.91
<b>Total</b>	<b>4.52</b>	<b>2.27</b>	<b>72.42</b>	<b>44.91</b>

18 Short Term Loans and Advances

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Balances With Government Authorities</b>				-
- Advance Tax, TDS and TCS	29.32	29.24	-	32.56
- GST Receivable/ Refundable In ECL	70.31	65.20	17.27	12.60
- Input Claimable	0.53	0.31	0.45	1.54
- GST Refund Receivable On Export	4.70	5.81	4.34	2.33
<b>Other Loans and Advances (Unsecured, Considered Good)</b>				-
- Advance To Sundry Creditors	0.28	1.01	45.96	3.84
- Advance Salary	1.58	1.30	1.48	-
<b>Total</b>	<b>106.72</b>	<b>102.87</b>	<b>69.50</b>	<b>52.86</b>

19 Other Current Assets

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
SIB Interest Receivable	0.05	0.05	0.05	0.18
KSEB Interest Receivable	0.05	-	-	-
SIDBI Interest Receivable	1.28	1.12	0.21	-
Prepaid Expenses	0.70	0.70	-	-
<b>Total</b>	<b>2.07</b>	<b>1.86</b>	<b>0.26</b>	<b>0.18</b>

20 Revenue From Operations

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Sale of Products	-	-	-	-
Domestic sales	133.80	316.96	93.52	32.64
Export sales	-	299.25	438.54	476.88
Other Operating Revenues	-	-	-	-
<b>Total</b>	<b>133.80</b>	<b>616.21</b>	<b>532.06</b>	<b>509.52</b>

21 Other Income

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Interest Income	-	-	-	-
- Interest on Bank Deposit	0.23	1.28	1.20	0.40
Others	-	-	-	-
- Net Gain/(Loss) On Foreign Currency Transactions and Translation	-	0.38	3.72	6.50
- Gain on Property, Plant and Equipments (Net)	-	-	-	0.29
- Discount Received	-	0.30	0.10	0.20
- ABRY Subsidy	-	1.68	3.92	-
- MSME Insurance	-	0.03	-	-
- Duty drawback received	3.29	-	3.92	6.44
- Other Income	0.00	-	-	-
<b>Total</b>	<b>3.52</b>	<b>3.66</b>	<b>12.87</b>	<b>13.84</b>

22 Cost Of Materials Consumed

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening Stock	20.85	25.13	13.98	-
Add: Purchases	115.98	239.09	109.14	118.46
Add: Direct Expenses	0.79	1.98	1.05	1.75
	137.63	266.20	124.17	120.21
Less: Closing Stock	19.11	20.85	25.13	13.98
<b>Total</b>	<b>118.52</b>	<b>245.35</b>	<b>99.04</b>	<b>106.23</b>

22.1 Raw Materials Consumed (Items)

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Yarn/ Latex Rubber Thread	117.73	243.37	97.99	104.48
Other Components	-	-	-	-
<b>Total</b>	<b>117.73</b>	<b>243.37</b>	<b>97.99</b>	<b>104.48</b>

23 Change in Inventories Of Work In Progress, Finished Goods

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Opening Inventories</b>				
- Finished Goods	18.01	10.67	16.49	-
- Stores and Spares	0.30	-	0	-
- Packing Materials	0.59	-	0	-
	18.90	10.67	16.49	-
<b>Less: Closing Inventories</b>				
- Finished Goods	65.59	18.01	10.67	16.49
- Stores and Spares	1.00	0.30	-	-
- Packing Materials	3.41	0.59	-	-
	70.01	18.90	10.67	16.49
<b>Total</b>	<b>(51.10)</b>	<b>(8.24)</b>	<b>5.83</b>	<b>(16.49)</b>

23.2 Sales and Stock Of Finished Goods and Raw Materials (Items)

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Opening Stock</b>				
- Yarn/Latex Rubber Thread	20.85	25.13	13.98	-
- Narrow Fabrics	18.90	10.67	16.49	-
<b>Total</b>	<b>39.76</b>	<b>35.79</b>	<b>30.47</b>	<b>-</b>
<b>Closing Stock</b>				
- Yarn/Latex Rubber Thread	19.11	20.85	25.13	13.98
- Narrow Fabrics	70.01	18.90	10.67	16.49
<b>Total</b>	<b>89.12</b>	<b>39.76</b>	<b>35.79</b>	<b>30.47</b>
<b>Turnover</b>				
- Narrow Fabrics	133.80	617.56	532.06	509.52
<b>Total</b>	<b>133.80</b>	<b>617.56</b>	<b>532.06</b>	<b>509.52</b>

23.3 Turnover From Manufacturing and Trading Activities

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Manufacturing</b>				
- Narrow Fabrics	133.80	617.56	532.06	509.52
<b>Total</b>	<b>133.80</b>	<b>617.56</b>	<b>532.06</b>	<b>509.52</b>

24 Employee Benefit Expenses

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Salaries And Wages	14.86	53.31	47.31	27.05
Contribution to Provident and Other Funds	1.09	4.38	3.55	1.49
Staff Welfare Expenses	0.46	0.56	0.10	0.37
EPFO Administration Charges	0.03	0.11	0.09	0.03
Bonus Paid	-	3.60	-	-
Gratuity	0.02	1.63	1.40	0.87
Leave Encashment	0.64	2.64	2.35	1.30
Director's Remuneration	-	1.65	21.04	60.00
<b>Total</b>	<b>17.11</b>	<b>67.88</b>	<b>75.85</b>	<b>91.11</b>

Note:

24.1 **Defined benefit plan – gratuity:** In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

24.2 **Defined benefit plan – Leave encashment:** In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

## 25 Finance Costs

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Interest Expenses	1.95	9.97	11.49	5.03
Other Borrowing Costs				
-Bank Charges	1.77	3.59	3.71	2.94
<b>Total</b>	<b>3.72</b>	<b>13.56</b>	<b>15.20</b>	<b>7.98</b>

## 26 Depreciation and Amortization Expenses

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Depreciation	9.81	52.21	55.35	34.71
Amortization	0.02	0.25	-	-
<b>Total</b>	<b>9.84</b>	<b>52.46</b>	<b>55.35</b>	<b>34.71</b>

## 27 Other Expenses

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Packing Material Consumed	1.47	4.49	6.34	4.22
Advertisement Expenses		0.75	0.06	0.00
Commission	0.00	-	-	0.00
Labour Charges	0.03	0.20	16.63	97.99
GST Late Fee	-	-	-	0.00
Input Tax Paid	-	0.45	-	-
GST Voluntary Payment		-	-	0.04
Certification Charge	0.04	0.13	-	-
Office Equipments	-	-	0.72	0.13
Office Expenses	0.15	0.72	0.44	0.42
Repairs and Maintenance Related to				
- Plant and Machineries	0.62	1.74	2.80	1.92
- Others	-	-	1.54	1.85
Registration & Renewal Fees	0.31	-	0.98	1.28
Inspection charges	0.21	-	-	-
Membership Subscription Fee	0.01	-	-	-
Pooja Expenses	-	0.05	-	-
Power & Fuel	1.87	6.62	7.62	4.72
Payment of Import Duty	-	-	-	0.02
Postage, Printing & Stationery	0.44	1.00	0.81	0.38
Auditor's Remuneration	-	0.30	0.30	0.30
Rent-Others	0.30	1.10	-	-
Rates & Taxes	0.05	1.40	1.97	2.29
Kerala Pollution Control Board Fee		0.56	-	-
Freight & Forwarding Charges	0.01	0.00	0.03	3.30
Legal & Professional Charges	0.29	2.72	3.97	0.41
Insurance Expenses	0.02	1.52	1.72	1.56
ITC Write Off	0.14	0.11	-	-
Interest & Fee			0.26	-
Service Charge	0.03	0.04	-	-
Travelling & Conveyance	0.51	6.01	3.65	1.66
Tea Expenses	0.08	0.41	-	-
Transportation Charges	7.45	16.36	7.09	8.88
Telephone & Internet Charges	0.07	0.16	0.12	0.13
Yarn Purchase	-	0.02	-	-
Water Charges	0.20	-	-	-
Miscellaneous Expenses	0.10	0.10	0.48	0.49
<b>Total</b>	<b>14.39</b>	<b>46.96</b>	<b>57.53</b>	<b>131.99</b>

28 Tax Expenses

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Current Tax				
- Current Tax Expenses	4.58	37.58	48.32	31.03
- Excess/Short Provision Written Back/Off	-	-	-	-
	4.58	37.58	48.32	31.03
Deferred Tax				
- Deferred Tax (Income)/Expenses	(0.19)	(3.95)	(2.66)	(1.93)
	(0.19)	(3.95)	(2.66)	(1.93)
<b>Total</b>	<b>4.40</b>	<b>33.63</b>	<b>45.67</b>	<b>29.10</b>

28.1 Significant Components Of Deferred Tax charged during the year

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Difference Between Book Depreciation And Tax Depreciation	(1.08)	(7.58)	(2.66)	(1.93)
<b>Total</b>	<b>(1.08)</b>	<b>(7.58)</b>	<b>(2.66)</b>	<b>(1.93)</b>

29 Earning Per Share

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Restated Profit Attributable to Equity Shareholders (Rs)	20,44,439	1,68,27,752	1,90,46,514	1,38,72,169
Weighted Average Number Of Equity Shares	4,00,000	4,00,000	4,00,000	3,18,027
Restated Earnings Per Share Basic (Rs)	5.11	42.07	47.62	43.62
Restated Earnings Per Share Diluted (Rs)	5.11	42.07	47.62	43.62
Face Value Per Equity Share (Rs)	10.00	10.00	10.00	10.00

Note 1:

Pursuant to an ordinary resolution in an Extra ordinary General Meeting of the Company held on 16th June 2021, Authorised capital was increased from Rs.10 Lakhs to Rs.40 Lakhs during the year 2021-22 and 340000 shares having face value of Rs.10 were issued during 2021-22 which are subscribed and paid up fully.

Note 2:

The earning per share for the quarter ended 30.06.2024 is not annualised figure. The annualised EPS for the quarter ended 30.06.2024 both basic and diluted shall be 20.44

30 Auditors' Remuneration

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Payments to auditor as - Statutory Auditor	-	0.30	0.30	0.30
<b>Total</b>		<b>0.30</b>	<b>0.30</b>	<b>0.30</b>

31 Contingent Liabilities and Commitments

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Contingent Liabilities and Capital Commitments	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

32 Leases : Operating Leases

The Company has not taken any residential/commercial premises under cancellable operating leases.

The rental expenses recognized in Profit and Loss account for operating lease.

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Minimum Rent	-	-	-	-
Contingent Rent	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>



**33 Disclosure Of Liability Of Gratuity and Compensated Absences**

**A Defined Benefit Plan – Gratuity:**

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

**B Defined Benefit Plan – Leave Encashment:**

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

The details of the above are as follows:

**i) Membership Data**

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Number Of Employees	39	39	36	36	33	33	26	26
Qualifying Monthly Salary	6.35	6.35	5.52	5.52	4.60	4.60	3.74	3.74
Average Past Service (In Years)	1.78	1.78	1.82	1.82	1.2	1.2	0.49	0.49
Average Age (In Years)	39.53	39.53	39.85	39.85	40.09	40.09	38.38	38.38
Average Outstanding Service Of Employees (In Years)	20.47	20.47	20.15	20.15	19.91	19.91	21.62	21.62

**ii) Actuarial Assumptions:**

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Discount rate (Per Annum)	7.20%	7.20%	7.23%	7.23%	7.52%	7.52%	7.34%	7.64%
Salary Growth Rate (per annum)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<b>Withdrawal Rate (Per Annum) Age Band</b>								
25 & Below	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 6.43%, Female - 6.43%	Male - 6.43%, Female - 6.43%	Male - 2.86%, Female - 2.86%	Male - 2.86%, Female - 2.86%
25 to 35	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 6.43%, Female - 6.43%	Male - 6.43%, Female - 6.43%	Male - 2.86%, Female - 2.86%	Male - 2.86%, Female - 2.86%
35 to 45	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 6.43%, Female - 6.43%	Male - 6.43%, Female - 6.43%	Male - 2.86%, Female - 2.86%	Male - 2.86%, Female - 2.86%
45 to 55	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 6.43%, Female - 6.43%	Male - 6.43%, Female - 6.43%	Male - 2.86%, Female - 2.86%	Male - 2.86%, Female - 2.86%
55 & above	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 2.82%, Female - 2.82%	Male - 6.43%, Female - 6.43%	Male - 6.43%, Female - 6.43%	Male - 2.86%, Female - 2.86%	Male - 2.86%, Female - 2.86%

Mortality Rates (Per Annum) age in year								
20	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%	Male - 0.09%, Female - 0.09%
30	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%	Male - 0.10%, Female - 0.10%
40	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%	Male - 0.17%, Female - 0.17%
50	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%	Male - 0.44%, Female - 0.44%
60	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%	Male - 1.12%, Female - 1.12%

Note:

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

iii) Statement showing changes in present value of obligations during the year:

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Present Value Of Obligation As At The Beginning Of Year	3.90	2.07	2.27	1.68	0.87	0.63	-	-
Interest Cost	0.07	0.03	0.19	0.09	0.06			
Past Service Cost	-	-	-	-	-	-	-	0.66
Current Service Cost	0.44	0.31	1.66	1.24	1.40	1.07	0.87	0.63
Benefit Paid	-	(0.73)	-	(2.25)	-	(1.30)	-	(0.66)
Actuarial (gain)/loss On Obligations	(0.49)	0.31	(0.22)	1.32	(0.06)	1.28		
Present Value Of Obligation At The End Of The Year	3.92	1.98	3.90	2.07	2.27	1.68	0.87	0.63

iv) Actuarial gain/loss recognized for the year:

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Actuarial (gain)/loss for the period -Recognized	(0.49)	0.31	(0.22)	1.32	(0.06)	1.28	-	-
Actuarial (gain)/loss for the period -Unrecognized	-	-	-	-	-	-	-	-

v) Amount to be recognized in balance sheet:

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Present Value Of Obligation	3.92	1.98	3.90	2.07	2.27	1.68	0.87	0.63
Funded Status	-	-	-	-	-	-	-	-
Net Liability Recognized In Balance sheet	3.92	1.98	3.90	2.07	2.27	1.68	0.87	0.63
Long - term Provision	3.91	1.66	3.89	1.73	2.26	1.35	0.86	0.53
Sort- term Provision	0.02	0.32	0.01	0.34	0.01	0.33	0.003	0.10

vi) Expenses recognized in the statement of profit and loss:

Particulars	As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)	Gratuity (unfunded)	Leave encashment (unfunded)
Current Service Cost	0.44	0.31	1.66	1.24	1.40	1.07	0.87	0.63
Total Employer Expense	-	-	-	-	-	-	-	-
Present Value Of Obligation as at the end of the year	3.92	1.98	3.90	2.07	2.27	1.68	0.87	0.63
Fair Value Of Planned Asset as at the end of the year	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	0.66
Interest Cost	0.07	0.03	0.19	0.09	0.06	-	-	-
Expected Return On Planned Assets	-	-	-	-	-	-	-	-
Curtailement/Settlement Cost	-	-	-	-	-	-	-	-
Net Actuarial (Gain)/Loss Recognized	(0.49)	0.31	(0.22)	1.32	(0.06)	1.28	-	-
Expenses recognized in the statement of profit and loss	0.02	0.64	1.63	2.64	1.40	2.35	0.87	1.30

**34 Related Party Disclosure**

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the parties as defined in the accounting standard.

**(i) List of Related Parties**

Particulars	Relationship
Gangadaran Jyoti	Whole time Director
Mani Sajumohan	Managing Director
Pooja Mohan	Director
Biju Uthuppu	Director
Supreme narrow fabrics	Entity in which KMP has control
Supreme textiles	Entity in which KMP has control

**(ii) Related Party Transactions**

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Loan Taken</b>				
Gangadaran Jyoti	6.00	10.00	-	10.50
Mani Sajumohan	14.00	20.00	-	65.69
Pooja Mohan	-	-	20.50	-
<b>Loan Repaid</b>				
Gangadaran Jyoti	-	10.00	-	21.50
Mani Sajumohan	2.00	20.00	-	76.19
Pooja Mohan	-	-	20.50	2.25
<b>Directors' Remuneration</b>				
Pooja mohan	-	1.65	21.04	60.00
<b>Purchase of goods</b>				
Supreme narrow fabrics	3.79	0.74	-	27.05
Supreme textiles	6.87	13.15	-	0.35
<b>Sale of goods</b>				
Supreme narrow fabrics	-	-	-	-
Supreme textiles	0.001	0.001	2.66	1.25
<b>Job work charge</b>				
Supreme narrow fabrics	-	-	-	4.17
Supreme textiles	-	-	15.62	18.12

(iii) Related Party Balances

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>Loan outstanding</b>				
Gangadaran Jyoti	6.00	-	-	-
Mani Sajumohan	12.00	-	-	-
<b>Other Long Term Liabilities</b>	-	-	-	-
<b>Trade Receivables</b>	-	-	-	-
<b>Advance to suppliers</b>	-	-	-	-
Supreme textiles	-	-	-	3.74
Supreme narrow fabrics	-	-	-	0.016
<b>Short-term Borrowings</b>	-	-	-	-
<b>Short Term Loans and Advances</b>	-	-	-	-
<b>Other Current Liabilities</b>	-	-	-	-
<b>Salary Payable</b>	-	-	-	-
Pooja mohan	-	-	-	6.59

35 MSME

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
<b>a)</b> The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period				
- Principle amount	13.52	2.39	2.83	1.51
- Interest due thereon	-	-	-	-
<b>b)</b> The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting period;	-	-	-	-
<b>c)</b> The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
<b>d)</b> The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-	-	-
<b>e)</b> The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

36 Segment Reporting

The Company is engaged in one segment only i.e. hence there are no separate reportable segment.

**37 Title Deed of immovable property not held in the name of company**

The company holds all the title deeds of immovable property in its name.

**38 Benami Property**

The company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**39 Security of Current Assets Against Borrowings**

The overdraft facility availed from ICICI Bank(Ac no.266805000708) is secured by current assets also along with movable and immovable fixed assets as per sanction order dated June 26,2023

**40 Willful Defaulter**

The company is not declared as willful defaulter by any bank or financial Institution or other lender.

**41 Transactions With Struck Off Companies**

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

**42 Registration Of Charges Or Satisfaction With Registrar Of Companies**

The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**43 Scheme Of Arrangements**

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**44 Utilisation Of Borrowed Funds and Share Premium:**

**A** The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**B** The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**45 Undisclosed Income**

The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

**46 Compliance With Number Of Layers Of Companies**

The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

**47 Disclosure Pertaining to Details Of crypto Currency Or Virtual Currency**

The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods

**48 Revaluation Of PPE and Intangible assets**

The company has not revalued its Property, Plant and Equipment and Intangible assets during the reporting periods. The disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

**49 Disclosure Pertaining to 'Corporate Social Responsibility Activities'**

The company is not covered under section 135 of the Companies Act, 2013. The disclose with regard to CSR activities is not applicable

**50 Events occurring after the balance sheet date-Issue of bonus shares**

Pursuant to the Ordinary Resolution passed at the Extra-Ordinary General Meeting (EGM) held on 22nd July 2024, and as duly authorised, and pursuant to the resolution passed by the Board of Directors at its meeting held on 26th July 2024, the bonus issue of 36,00,000 equity shares in the ratio of 9:1 (i.e., nine new equity shares for every one existing equity share held) to the members of the company, as on the Record Date of 12th July 2024 was made. The equity share capital is increased from Rs.40,00,000/- to 4,00,00,000/-.

50 Ratio analysis and its elements

50.1 Ratio

Particulars	30th June 2024	31st March 2024	31 March 2023	31 March 2022	% change from March 31, 2022 to March 31, 2023	% change from March 31, 2023 to March 31, 2024
Current Ratio	1.39	1.36	1.45	1.00	45%	-6%
Debt-Equity Ratio	1.05	1.04	0.71	0.55	29%	47%
Debt Service Coverage Ratio	2.29	2.62	2.81	11.78	-76%	-7%
Return On Equity Ratio	0.04	0.37	0.70	1.50	-54%	-47%
Inventory Turnover Ratio	2.08	16.31	16.06	33.45	-52%	2%
Trade Receivables Turnover Ratio	0.83	4.84	10.63	27.90	-62%	-55%
Trade Payables Turnover Ratio	14.43	90.10	50.19	100.75	-50%	79%
Net Capital Turnover Ratio	1.34	7.33	6.47	1,377.33	-100%	13%
Net Profit Ratio	0.15	0.27	0.36	0.27	31%	-24%
Return On Capital Employed	0.02	0.20	0.40	0.63	-37%	-51%
Return On Investment	0.64	0.35	1.13	0.48	133%	-69%

50.2 Elements Of Ratio

Particulars	Numerator/Denominator	30 June 2024	31 March 2024	31 March 2023	31 March 2022
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	356.22 256.39	315.30 231.20	264.16 181.91	142.31 141.94
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	585.88 557.75	556.66 537.31	260.91 369.03	97.86 178.56
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	32.23 14.10	230.70 88.18	257.31 91.68	178.47 15.15
(d) Return On Equity Ratio	$\frac{\text{Profit After Tax}}{\text{Average Shareholder's Equity}}$	20.44 547.53	168.28 453.17	190.47 273.80	138.72 92.20
(e) Inventory Turnover Ratio	$\frac{\text{Total Trunover}}{\text{Average Inventories}}$	133.80 64.44	616.21 37.78	532.06 33.13	509.52 15.23
(f) Trade Receivables Turnover Ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	133.80 161.17	616.21 127.36	532.06 50.04	509.52 18.27
(g) Trade Payables Turnover Ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	115.98 8.04	239.09 2.65	109.14 2.17	118.46 1.18
(h) Net Capital Turnover Ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	133.80 99.83	616.21 84.11	532.06 82.25	509.52 0.37
(i) Net Profit Ratio	$\frac{\text{Net Profit After tax}}{\text{Total Turnover}}$	20.44 133.80	168.28 616.21	190.47 532.06	138.72 509.52
(j) Return On Capital Employed	$\frac{\text{Earning Before Interest And Taxes}}{\text{Capital Employed}}$	26.79 1,134.78	211.87 1,085.28	247.62 625.35	172.85 274.50
(k) Return On Investment	$\frac{\text{Net Profit After tax}}{\text{Total Investment}}$	20.44 32.06	168.28 484.86	190.47 169.19	138.72 287.18

51 The Restated Financial Information were authorized for issue in accordance with a resolution of the Board Directors on November 18, 2024

52

**Restated Statement Of Tax Shelter**

**Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate**

Particulars	30-Jun-2024	31-Mar-2024	31-Mar-2023	31-Mar-2022
<b>Restated profit before tax as per books (A)</b>	<b>24.84</b>	<b>201.90</b>	<b>236.13</b>	<b>167.82</b>
<b>Tax Rates</b>				
Income Tax Rate(Manufacturing Income)	17.16%	17.16%	17.16%	17.16%
Income Tax Rate(Other Income)	25.17%	25.17%	25.17%	25.17%
Minimum Alternative Tax Rate (%) -NA	-	-	-	-
<b>Income Considered Separately (B)</b>	<b>(0.23)</b>	<b>(1.01)</b>	<b>(1.20)</b>	<b>(0.69)</b>
<b>C. Adjustments</b>				
<b>Disallowed:</b>				
Amount disallowable under section 36	-	-	-	0.11
Amount disallowable under section 37	-	-	-	-
Other Additions	-	-	0.26	-
<b>Timing Difference:</b>				
Depreciation allowed as per Companies Act	9.84	52.46	55.35	34.71
Depreciation allowed as per IT Act	(8.76)	(37.26)	(30.33)	(23.48)
Amount disallowable under section 40	-	-	0.26	-
Amount disallowable under section 43B	0.64	2.64	1.05	0.63
Amount disallowable under section 40A(7)	0.02	1.63	1.40	0.87
<b>Allowed:</b>				
Other deductions	-	-	-	-
Amount allowable under section 43B	-	-	-	-
Income considered under other heads				
<b>Net Adjustment (C)</b>	<b>1.52</b>	<b>18.46</b>	<b>26.80</b>	<b>12.15</b>
<b>Capital Gain</b>				
Short term Capital Gain				0.29
<b>Sub Total (D)</b>				<b>0.29</b>
<b>Income from Other Sources</b>				
Dividend Income	-	-	-	-
Rent income	-	-	-	-
Interest Income	0.23	1.69	1.20	0.40
<b>Sub Total (E)</b>	<b>0.23</b>	<b>1.69</b>	<b>1.20</b>	<b>0.40</b>
<b>Total</b>	<b>26.59</b>	<b>222.06</b>	<b>264.13</b>	<b>180.66</b>
<b>Brought forward business losses set off (F)</b>				<b>(0.17)</b>
<b>Taxable Income/(Loss) (A+B+C+D+E-F)</b>	<b>26.59</b>	<b>222.06</b>	<b>264.13</b>	<b>180.49</b>
Income Tax on Above	4.58	38.24	45.42	31.03
MAT on Book Profit-NA	-	-	-	-
Tax paid as per Normal or MAT	-	-	-	-
<b>Total Provision for Tax</b>	<b>4.58</b>	<b>38.24</b>	<b>45.42</b>	<b>31.03</b>
Additional/(Short) Provision in Standalone Financial Statements		(0.66)	2.90	
<b>Total Provision for Tax as per Restated Financial Statements</b>	<b>4.58</b>	<b>37.58</b>	<b>48.32</b>	<b>31.03</b>



**Max Supreme Textiles Limited**

CIN: U17299KL2021PLC066902

**Annexure V - Statement Of Adjustments to the Restated Financial Information**

(Amounts in INR Lakh, unless otherwise stated)

Summarised below are the restatement adjustments made to equity as at June 30 2024 ,March 31 2024, March 31, 2023 and March 31, 2022 and their consequential impact on the equity of the Company:

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total Equity As Per Audited Financial Statements	561.70	541.26	372.98	180.06
<u>Restatement adjustments</u>				
Compliance of Accounting Standard - 15	3.95	3.95	3.95	1.50
<b>Total impact of adjustments</b>	3.95	3.95	3.95	1.50
Total Equity As Per Restated Financial Information	557.75	537.31	369.03	178.56
<b>Total</b>	<b>557.75</b>	<b>537.31</b>	<b>369.03</b>	<b>178.56</b>

Summarised below are the restatement adjustments made to the net profit after tax as at June 30 2024, March 31 2024, March 31, 2023, and March 31, 2022 and their impact on the profit / (loss) of the Company:

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Profit After Tax As Per Audited Financial Statements	20.44	168.28	192.92	140.22
<u>Restatement Adjustments</u>				
<u>Compliance of Accounting Standard - 15</u>				
(Increase)/Decrease In Expenses				
Employee Benefit Expenses	-	-	2.45	1.50
<b>Restated Profit Before Tax</b>	20.44	168.28	190.47	138.72
Tax Adjustments				
Profit After Tax As Per Restated Financial Information	20.44	168.28	190.47	138.72
<b>Total</b>	<b>20.44</b>	<b>168.28</b>	<b>190.47</b>	<b>138.72</b>

**Notes to Adjustments:****Note 1:**

**Audit Qualifications** - There are no audit qualifications in auditor's report for the financial years ended March 31 2024, March 31 2023 and March 31 2022 and for the period ended June 30,2024.

**Note 2:**

**Material Regrouping/Reclassification** - Appropriate regrouping/reclassification have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the period ended June 30, 2024 audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

**Note 3:**

**Compliance Of Accounting Standard - 15 (Revised 2005)**, Actuarial valuation was obtained from the actuary in respect of the defined benefit plans using projected unit credit method for the period ended June 30 2024 and for the years ended March 31 2024, March 31 2023, March 31 2022 and liability and employee benefit expenses adjusted accordingly.

**Notes to Non-Adjustments:****Auditor's Comments in Annexure to Auditors' Report:****Clause Xviii of CARO 2020 Order - Period ended March 31, 2024**

There has been resignation of the statutory auditors during the year and there are no issues, objections or concerns raised by the outgoing auditors.

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Restated Profit Attributable To Equity Shareholders (₹) (A)	20,44,438.86	1,68,27,752.36	1,90,46,513.77	1,38,72,168.78
Weighted Average Number Of Equity Shares In Calculating Basic EPS (B)	4,00,000	4,00,000	4,00,000	3,18,027
Weighted Average Number Of Equity Shares In Calculating Diluted EPS (C)	4,00,000	4,00,000	4,00,000	3,18,027
<b>Basic Earnings Per Share (₹ Per Share) (D=A/B)</b>	<b>5.11</b>	<b>42.07</b>	<b>47.62</b>	<b>43.62</b>
<b>Diluted Earnings Per Share (₹ Per Share) (E=A/C)</b>	<b>5.11</b>	<b>42.07</b>	<b>47.62</b>	<b>43.62</b>
Weighted Average Number Of Equity Shares In Calculating Basic EPS - Post Bonus shares (F)	40,00,000	40,00,000	40,00,000	31,80,274
Weighted Average Number Of Equity Shares In Calculating Diluted EPS - Post Bonus Shares (G)	40,00,000	40,00,000	40,00,000	31,80,274
<b>Basic Earnings Per Share - Post Bonus Shares (₹ per share) (H=A/F)</b>	<b>0.51</b>	<b>4.21</b>	<b>4.76</b>	<b>4.36</b>
<b>Diluted Earnings Per Share - Post Bonus Shares (₹ Per Share) (I=A/G)</b>	<b>0.51</b>	<b>4.21</b>	<b>4.76</b>	<b>4.36</b>
Net Worth (A)	557.75	537.31	369.03	178.56
Restated Profit Attributable To Shareholders (B)	20.44	168.28	190.47	138.72
<b>Restated Return On Net Worth (%) (C=B/A)</b>	<b>3.67%</b>	<b>31.32%</b>	<b>51.61%</b>	<b>77.69%</b>
Net Assets (₹) (A)	5,57,74,974	5,37,30,535	3,69,02,783	1,78,56,269
Number Of Equity Shares Outstanding At the End Of The Year (B)	4,00,000	4,00,000	4,00,000	4,00,000
<b>Restated Net Asset Value Per Share (C=A/B)</b>	<b>139.44</b>	<b>134.33</b>	<b>92.26</b>	<b>44.64</b>
Number Of Equity Shares Outstanding At The End Of The Year - Post Bonus Shares (D)	40,00,000	40,00,000	40,00,000	40,00,000
<b>Restated Net Asset Value Per Share - Post Bonus Shares (E=A/D)</b>	<b>13.94</b>	<b>13.43</b>	<b>9.23</b>	<b>4.46</b>
Restated Profit For the Year (A)	20.44	168.28	190.47	138.72
Restated Profit For the Year From Discontinued Operation (B)	-	-	-	-
<b>Restated Profit For the Year From Continuing Operations (C=A-B)</b>	<b>20.44</b>	<b>168.28</b>	<b>190.47</b>	<b>138.72</b>
Total Tax Expenses (D)	4.40	33.63	45.67	29.10
Exceptional Items (E)	-	-	-	-
Finance Costs (F)	1.95	9.97	11.49	5.03
Depreciation And Amortization Expense (G)	9.84	52.46	55.35	34.71
Other Income (H)	3.52	3.66	12.87	13.84
<b>EBITDA (I=C+D+E+F+G-H)</b>	<b>33.11</b>	<b>260.67</b>	<b>290.10</b>	<b>193.73</b>
Share Based Payment Expense (J)	-	-	-	-
<b>Adjusted EBITDA (K=I+J)</b>	<b>33.11</b>	<b>260.67</b>	<b>290.10</b>	<b>193.73</b>

Notes:

a) Net Worth is derived as below

Particulars	As at 30 June 2024	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Share Capital	40.00	40.00	40.00	40.00
Reserves and Surplus	517.75	497.31	329.03	138.56
Retained Earnings	-	-	-	-
<b>Net Worth</b>	<b>557.75</b>	<b>537.31</b>	<b>369.03</b>	<b>178.56</b>

b) The ratios on the basis of Restated Financial Information have been computed as below

$$\text{Basic Earnings Per Share (₹)} = \frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period post bonus}}$$

$$\text{Diluted Earnings Per Share (₹)} = \frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period adjusted for the effects of all dilutive potential Equity shares post bonus}}$$

$$\text{Return On Net Worth (\%)} = \frac{\text{Restated net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Restated total equity attributable to equity holders}}$$

$$\text{Net Asset Value Per Equity Share} = \frac{\text{Restated Total equity attributable to equity holders}}{\text{Weighted Average Number of equity shares outstanding during the year/ period post bonus}}$$

$$\text{Net Assets} = \text{Total assets less total liabilities}$$

$$\text{EBITDA} = \text{Restated profit/(loss) for the respective year/period} + \text{total tax expenses} + \text{exceptional items} + \text{finance costs} + \text{depreciation and amortisation} - \text{other income}$$

**Max Supreme Textiles Limited**  
**CIN: U17299KL2021PLC066902**  
**Annexure VII - Statement Of Capitalization**  
**(Amounts in INR Lakh, unless otherwise stated)**

The following table sets forth our Company's capitalisation as at June 30, 2024, derived from our Restated Financial Statements, and as adjusted for the Offer.

(Rs. in Lakhs, except ratios)

Particulars	As at 30 June 2024	As adjusted for the Issue *
<b>Borrowings</b>		
Total borrowings		
Non-Current Borrowings (including current maturities of non-current borrowings)	498.98	498.98
Current- Borrowings	86.90	86.90
<b>Total Debt (A)</b>	<b>585.88</b>	<b>585.88</b>
<b>Equity</b>		
Equity Share Capital	40.00	572.00
Other equity **	517.75	1,052.15
<b>Total Equity (B)</b>	<b>557.75</b>	<b>1,624.15</b>
<b>Debt equity ratio (A/B)</b>	<b>1.05</b>	<b>0.36</b>

\*Assuming full allotment of IPO shares

\*\*These terms shall carry the meaning as per Schedule III of the companies Act.

**Notes:**

The above has been computed on the basis on amounts derived from the Restated Financial statements.

As per our report of even date attached

For SGS & Company Chartered Accountants

For and on behalf of the Board of Directors

-sd-

-sd-

-sd-

CA Geo Job  
(Partner)  
Membership No.210057  
Firm Registration No.0098895  
UDIN:24210057BKABVM6245

Gangadharan Jyothi  
Whole time Director  
DIN 09021765

Mani Sajumohan  
Chairman & Managing Director  
DIN 09028262

-sd-

-sd-

Place: Thrissur  
Date: 18.11.2024

Kappuriparambil Gopalan Hareesh Velayudhan Sreejith  
Company Secretary  
ACS No.67584

Chief Financial Officer  
PAN:AUKPV3108N

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below.

Particulars	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Restated earnings per Equity Share – Basic (in ₹)	0.51	4.21	4.76	3.47
Restated earnings per Equity Share – Diluted (in ₹)	0.51	4.21	4.76	3.47
Return on Net Worth (%)*	3.67	31.32	51.61	77.69
Net Asset Value per Equity Share (in ₹)	13.94	13.43	9.23	4.46
EBITDA (₹ in lakhs)	33.11	260.67	290.10	193.73

Notes:

- (1) *Earnings per Equity Share (Basic & Diluted) = Restated profit for the period/year attributable to the Equity Shareholders / number of Equity Shares outstanding during the period / year post the impact of bonus of shares.*
- (2) *Return on Net worth attributable to the Equity Shareholders of our Company (%) = Restated net profit for the period/year attributable to Equity Shareholders of our Company / Restated Average Net worth attributable to the Equity Shareholders of our Company as at the end of the period/year. Return on Net worth attributable to the Equity Shareholders of the company is a non-GAAP measure.*
- (3) *Net Asset Value per Equity Share is calculated as net worth attributable to the Equity Shareholders of our Company as at the end of financial period/year divided by the number of Equity Shares used in calculating basic earnings per share.*  
  
*“Net Worth attributable to the Equity Shareholders of our Company” means the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, including legal reserve and after deducting, if any the aggregate value of the accumulated losses, prepaid expenses, deferred expenditure and miscellaneous expenditure not written off as per the Restated Financial Statement, but does not include reserves created out of revaluation of assets and write-back of depreciation as on March 31, 2022, March 31, 2023, March 31, 2024 and for the three months period ended June 30, 2024 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended. It also excludes OCI, NCI and deeply subordinate debt.*
- (4) *EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense.*
- (5) *Accounting and other ratios are based on the Restated Financial Information.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company there is no Group Company as on date of this Draft Prospectus.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision.

## CAPITALIZATION STATEMENT

The following table sets forth our Company’s capitalization as at June 30, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with “*Risk Factors*”, “*Restated Financial Statement*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 22, 161 and 207, respectively -

(₹ in lakhs, except ratios)

Particulars	As at June 30, 2024	As adjusted for the proposed Issue*
<b>Borrowings</b>		
Total borrowings		
- Non-current borrowings (including Current maturities of non-current borrowings)	498.98	498.98
- Current –borrowings	86.90	86.90
<b>Total Debt (A)</b>	<b>585.88</b>	<b>585.88</b>
<b>Equity</b>		
- Equity Share capital	40.00	572.00
- Other Equity**	517.75	1052.15
<b>Total Equity (B)</b>	<b>557.75</b>	<b>1624.15</b>
Debt equity ratio (A/B)	1.05	0.36

\*Assuming full allotment of IPO Shares

# These terms shall carry the meaning as per Schedule III of the Companies Act.

\*\* Other Equity is exclusive of revaluation reserve.

**Notes:**

The above has been computed on the basis on amounts derived from the Restated Financial Statement

## FINANCIAL INDEBTEDNESS

Our Company has availed certain loans and borrowing facilities in the ordinary course of business purposes for meeting working capital and other business requirements.

Pursuant to the Articles of Association, the applicable provisions of the Companies Act, and pursuant to a resolution passed by our Shareholders at the EOGM of our Company held on March 20, 2024, our Board has been authorized to borrow from time to time, any sum or sums of monies, where the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of our paid-up share capital, free reserves and securities premium, provided that the total outstanding amount so borrowed shall not, exceed the limit of ₹100 crores.

The following table sets forth the details of the aggregate outstanding borrowings of our Company as of June 30, 2024:

Category of borrowing	Name of Lender	Sanctioned Amount as on (₹ in lakhs)	Sanction date	Outstanding amount (₹ in lakhs) as on June 30, 2024	Rate of Interest
Car Loan	State Bank of India	53.00	February 27, 2023	45.13	8.85%
Term Loan	ICICI Bank	47.80	June 26, 2023	38.12	Repo rate of 6.5% Plus Spread 2.75%-
Term Loan Under CMEDP II Scheme	Kerala Financial Corporation	200.00	January 28, 2023	184.61	5.00%
Term Loan under Modernization Scheme	Kerala Financial Corporation	150.00	January 28, 2023	148.86	9.00%
Term Loan	SIDBI	103.27	January 31, 2023	82.26	Repo rate of 6.25% Plus Spread 1.3%. Effective interest rate-7.55%
Overdraft	ICICI Bank	90.00	June 26, 2023	68.90	Repo rate of 6.5% Plus Spread 2.75%
<b>Total</b>		<b>644.07</b>		<b>567.88</b>	

Sr No.	Type of Security	Details (Security & Other Conditions)	Facilities Covered
1	Motor Vehicle - Car	Motor Car manufactured by BMW India	SBI Car Loan (A/C No.41733473059)
2	Movable and immovable assets, security cheque	Movable fixed asset, security cheque, Immovable fixed asset located at No.10/389 Jyothis, Thevarmani, Chathamangalam P.O, Nemmara, Palakkad, Chittur, Kerala-678508	ICICI Bank - Term Loan (A/C No.603090029713)
3	Land, Plant & Machinery and Building	Hypothecation of Land, Plant and machinery, Building consists of Industrial building, Office and guest room building and Staff quarters located at Nemmara, Chittur, Palakkad and second charge is on land consists of 150.87 ares located at Nemmara, Chittur, Palakkad.	KFC- Term Loan under CMEDP II Scheme (A/C No.081380510) and KFC - Term Loan under modernization Scheme (A/C No.081380511)
4	Plant & Machinery, FDR and Other Assets	Hypothecation of Plant, Machinery, Equipment, Tools, Spares, Accessories and all other assets FDR of Rs.25.82 Lakh.	SIDBI - Term Loan (A/C No. D000572R)

5	Current Assets and Immovable Fixed Assets	Current assets, cheque, Immovable fixed asset located at No.10/389 Jyothis, Thevarmani, Chathamangalam P.O, Nemmara, Palakkad, Chittur, Kerala-678508	Loan Repayable on Demand from ICICI Bank (A/C No.266805000708)
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**Unsecured Loans: -**

Category of borrowing	Name of Lender	Outstanding amount (Rs.in lakhs) as on June 30, 2024	Rate of Interest
Unsecured	Mani Sajumohan	12	Nil
Unsecured	Gangadhran Jyothi	6	Nil
<b>Total</b>		<b>18</b>	

**Details of Personal Guarantees Provided by Promoter and Promoter Group:**

Sr. No.	Lender	Name of the Borrower	Nature of facility Sanction	Amount Guaranteed	Outstanding as on September 30, 2024
1.	ICICI Bank Limited	Our Company	Overdraft	137.8	35.88
2.	Kerala Finance Corporation	Our Company	Term Loan	350 .00	331.78
3.	Small Industries Development Bank of India	Our Company	Term Loan	103.27	76.53



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*You should read the following discussion of our financial condition and results of operations together with the Restated Financial Statements as of and for the three months period ended June 30, 2024 the Fiscals 2024, 2023 and 2022 including the notes and significant accounting principles thereto and the report thereon. Our Restated Financial Statements differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind GAAP. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal or fiscal year are to the twelve-month period ended March 31 of that year.*

*The following discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such those described under "**Risk Factors**" and "**Forward Looking statements**" on page 22 and 14 respectively and elsewhere in this Draft Prospectus.*

*Some of the information contained in this section, including information with respect to our strategies, contain forward- looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 14 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**" and "**Our Business**" on pages 22 and 114 respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Max Supreme Textiles Limited.*

### **Overview**

Our Company is engaged in the manufacturing of technical textiles namely, narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leashes tapes, pet leashes ropes, grosgrain ribbons, footwear tapes, footwear elastics, furniture elastics, mattress tapes, medical webbing tapes and braided cords. Our products find application across varied industries such as garment, luggage, automobile, pets, footwear, healthcare, home textiles and packaging. We have catered to over 47 customers, 68 customers, 18 customers and 13 customers during three months period ended June 30, 2024, the Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

We have a well-equipped manufacturing facility situated at 10/1051, Ayyappanpara, Thevarmani, Chathamangalam Post, Nemmara, Palakkad, 678508, Kerala, India ("**Unit-I**"). Our Unit-I is equipped with semi-automated machines for manufacturing of technical textile namely, elastic and non-elastic based narrow fabrics. Over the years, our Company has scaled up its production and as on date of this Draft Prospectus our Unit-I comprises of 18 looms with an installed capacity for manufacturing of 190 MTPA of narrow fabrics.

In addition to our existing manufacturing facility, we are proposing to set up a new manufacturing facility ("**Unit-II**") for the manufacturing of polypropylene multifilament ("**PPMF**") yarn and narrow fabrics which will result in increase of our manufacturing capacity, diversification of our product portfolio and backward integration. Our Unit-II is situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, 678508, Kerala, India which is within 6 km radius of our Unit-I. Further, we propose to utilize a portion of the Net Proceeds from this Issue towards purchase of additional machinery and the construction of new office building at our Unit-II. Our facilities are supplemented by our utilities, such as water, power, etc.

For the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenue from operations was ₹ 133.80 lakhs, ₹ 616.21 lakhs, ₹ 532.06 lakhs and ₹ 509.52 lakhs, respectively, and our profit after tax for the year was ₹ 20.44 lakhs ₹ 168.28 lakhs, ₹ 190.47 lakhs and ₹ 138.72 lakhs, respectively. Our EBITDA for the three months period ended June 30, 2024 Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 33.11 lakhs, ₹260.67 lakhs, ₹290.10 lakhs and ₹193.73 lakhs, respectively.

### ***Principal Factors affecting our Results of Operations:***

Except as otherwise stated in this Draft Prospectus and the “**Risk Factors**” on page 22, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### ***Raw materials cost***

We source raw materials, such as Polyester yarn, polypropylene multifilament yarn, and rubber threads, and other additives from our suppliers with whom we have established long-standing relationships in order to ensure the consistent supply of products to our customers. We do not enter into formal arrangements or contracts with our suppliers and instead issue purchase orders to source our materials on an as-needed basis to such suppliers. For the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our cost of materials consumed (adjusted for changes in inventories and finished goods) was ₹ 67.42 lakhs, ₹237.11 lakhs, ₹104.86 lakhs and ₹89.74 lakhs, constituting 50.39 %, 38.48%, 19.71% and 17.61% respectively, of our revenue from operations. Our cost of goods sold is impacted by the amount of raw materials procured and the price at which we procure such raw materials and may fluctuate from time to time. The availability and price of our raw materials may be subject to a number of factors beyond our control, including macro and micro economic factors, seasonal factors, environmental factors and changes in Government policies and regulations.

#### ***Competition***

We face competition in our business. Since our business is competitive, some of our competitors may have greater resources and offer a broader range of products than ours. Such competitors may also have longer operating histories, greater financial, technical, product development and marketing resources and greater brand recognition. Such competitors could use these resources to market or develop their products that are more effective or less costly than our products or that could render any or all of our products obsolete. Competitive pressures could also affect the pricing of our products. Greater competition for particular products could have a negative impact on pricing. Our success is dependent upon our ability to compete against such competitors. We will continue to seek to distinguish our offerings by providing quality products at competitive prices.

#### ***Demand for our products***

Demand for our products is also significantly affected by the general level of economic activity and economic conditions in the various geographies in which we operate and industries to which we cater. Deterioration in economic conditions in any of the key industry to which we cater may lead to lower demand for our services. Any deterioration in global markets may also have a corresponding effect on our operations especially, our export sales. Any decision by our overseas customers to reduce or exit their emerging markets operations may have a significant adverse impact on our business and financial performance.

#### ***Capacity utilization***

We seek to capitalize on the growth opportunities in the industry in which we operate considering our current scale of operations, network of distributors, number of customers that we cater to and spearheaded by an experienced management team. For the three months period ended June 30, 2024 and as on March 31, 2024, our Unit-I had a production capacity of 190 MTPA for narrow Fabrics and 1500 KG for Braided cord and 190 MTPA for narrow fabrics.

We are already in the advanced stage of commissioning of our Unit-II for manufacturing of polypropylene multifilament (“PPMF”) yarn and narrow fabrics and is situated at SY NO 18/1-8, Vadakkenchery Pollachi Road, NSS College, Kokkode, Nemmara, Palakkad, 678508, Kerala, India which is within 6 km radius of our Unit-I. Our Unit-II, once completed and fully operational, is expected to increase our manufacturing capacity of narrow fabrics by 250MTPA and and 600 MTPA of installed capacity for manufacturing of PPMF yarn. The construction of Unit-II is completed and is in the advanced stage of commissioning and is expected to be commissioned in Fiscal 2025. Our results of operations and financial performance will depend on our ability to maximise our capacity utilisation at our Unit-I and Unit-II. For further details, please see ‘**Our Business – Capacity & Capacity Utilisation**’ on page 124.

#### ***Relationships with customers***

We do not enter into long-term contracts with any of our customers. The sales to our customers are basis purchase orders. Our team stays abreast of latest market trends which can help in developing and manufacturing innovative value-added fabrics. We also have an in-house sales team which interacts regularly with our customers in order to understand their evolving requirement. However, failure to meet the expectations of the client can lead to cancellation of current and future orders.

#### ***Government policies***

Our business and revenues are dependent on policies and regulations in relation to the manufacturing activities and to the textile sector in particular. Any adverse changes in government policies, subsidies and benefits could materially and adversely affect

our financing, capital expenditure, revenues, development or operations relating to our existing and proposed capacities as well as our ability to participate and compete with our peers. Further, policies not limited to our services rendered but largely affecting India could also affect the manner in which we carry out and intend to carry out our operations.

***Currency fluctuation***

We are affected by fluctuations in currency exchange rates with respect to our exports. The Indian rupee is our functional currency and our consolidated financial statements are prepared in Indian rupees. Appreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies may affect our results of operations. We do not hedge our open foreign currency position relating to firm commitments and forecasted transactions.

**1. Corporate Information**

The Company having CIN: U17299KL2021PLC066902 was incorporated in the State of Kerala in India on January 13, 2021 and commenced its business thereafter the company is presently engaged in the manufacturing of textiles, technical textiles namely narrow fabrics such as polyester webbing, binding tapes, garment tape, pet leash tapes etc.

**2. Significant Accounting Policies**

**Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounts), Rules 2014 (as amended) and the relevant provisions of the Companies Act 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The company is a **Small and Medium sized Company (SMC)** as defined in general instruction in respect of Accounting Standards notified under Companies (Accounts), Rules 2014 (as amended) and the relevant provisions of the Companies Act 2013. Accordingly, the company has complied with the accounting standards as applicable to a small and medium sized company.

**Use of Estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as on the date of the financial statements and reported amounts of income and expenses during the year. The estimates and assumptions used in financial statements are based upon the management’s evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Although these estimates are based on the Management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Example of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable property, plant and equipment and provisions for impairment.

**Property, Plant & Equipment**

Tangible fixed assets are stated at cost of acquisition, net of GST Input wherever applicable, and inclusive of inward freight, other duties and taxes and incidental expenses related to acquisition, less accumulated depreciation and impairment loss, if any. Expenditure with respect to cost of financing upto trial run (net of revenue) are capitalized.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses.

**Depreciation**

Depreciation on fixed assets is calculated in a manner that amortizes the cost of assets after commissioning over their estimated economic lives or lives as specified in Schedule-II of the Companies Act, 2013 by the written down value method. Capital Assets located at the leasehold land, whose ownership does not vest with the company are depreciated over their useful life.

The Company depreciates property, plant and equipment over their estimated useful lives using the WDV method. The estimated useful lives of assets are as follows:

Asset	Useful Life (WDV)
-------	-------------------

Buildings	30 years
Electrical Equipments	10 years
Plant & Machinery	15 years
Furniture & Fittings	10 years
Computer	3 years
Vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Amortization on intangible assets, including computer software, is calculated in a manner that amortizes the cost over an estimated useful economic life of 3 years from the date of acquisition by the written down value method in keeping with the methodology laid down in Schedule II of the Companies Act, 2013.

### **Impairment of assets**

At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to statement of profit and loss in the year in which it is identified as impaired.

### **Foreign Currency Transaction**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of transaction.

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of transaction. All non monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency are reported using exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. A monetary assets and liabilities is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has term of 12 months or more at the date of origination of asset or liability.

Exchange differences on restatement of all other monetary items are recognized in statement of profit and Loss.

Foreign currency operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of net investment, at which time they are recognized as income or as expenses. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the company itself.

### **Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long term investments are carried at cost.

### **Inventories**

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

- a) Raw Material: - Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on First in First out basis (FIFO).
- b) Finished Goods and Work-in-Progress: - Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "First in First out basis (FIFO)".

- c) Stock in Trade: - Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on —First in First out basis (FIFO)”.

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

### **Current Assets and Current Liabilities**

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) It is held primarily for the purpose of being sold;
- (c) It is expected to be realized within twelve months after the reporting date;
- (d) It is cash and cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as **non-current assets**.

A liability is classified as current liabilities when it satisfies any of the following criteria:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled with in twelve months after the reporting period ; or
- (d) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current liabilities.

### **Operating Cycle**

Operating cycle is the time from acquisition of an asset in the normal course of business till its consumption in processing or sale and realization in cash or cash equivalents. During the period under report, period of operating cycle is taken as 12 months and relevant classifications of balance sheet figures are made on that basis.

### **Revenue Recognition**

All incomes, which can be determined with reasonable certainty and are collectible in nature, are considered as the revenue for the year on accrual basis. Revenue from sale of products are disclosed net off GST and revenue from sale of services are disclosed net off GST.

Income is the total amount received/receivable by the Company for services provided including reimbursements of expenses incurred on behalf of clients and excluding taxes and discounts, if any.

Other incomes including interest from banks are considered on accrual basis.

### **Deferred Revenue Expense**

As per Companies' formulated policies, when economic benefits are expected to arise over several accounting periods, expenses are recognized in the Profit & Loss statement on the basis of systematic and rational allocation procedures over the period of 5 years. An expense is recognized immediately in the Profit & Loss statement when it does not need or ceases to meet the definition of Assets or when no future benefit is expected

### **Purchases**

Purchases are disclosed at gross value and GST input is taken where law permits. In case of blocked input this is charged to Revenue expenses under the head "Duties and Taxation".

### **Other Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

## **Employee benefits**

### **A. Defined Benefit Plans Gratuity**

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The provision is calculated based on actuarial valuations conducted as per the Projected Unit Credit Method.

### **B. Other Long-Term Employee Benefits Leave Encashment**

#### **Leave Encashment**

The company provides for leave encashment based on actuarial valuations conducted as per the Projected Unit Credit Method. The provision for leave encashment is unfunded.

### **C. Defined Contribution Plans**

Defined contribution plan is provident fund scheme administrated by government for all eligible employees. The company's contribution to defined contribution plan is recognized in the statement of profit & loss in financial year to which they relate.

### **D. Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits include compensated absence such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees are recognized as an expense during the respective periods, year ended 31, March 2022, 31, March 2023 and 31, March 2024 and the period ended 30, June 2024

These provisions ensure the company meets its long-term employee benefit obligations and accurately reflects the financial impact of these benefits in the financial statements.

## **Borrowing cost**

Borrowing cost are attributable to acquisition and construction of assets are capitalised as part of cost of such assets upto the date when such assets are ready for intended use and other borrowing cost are charged to statement of profit and loss account.

## **TAXATION**

Current income tax expense comprises taxes on income from operations in India. Income Tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. In accordance with the transitional provisions contained in schedule II of the Companies Act 2013, where the remaining useful life of an asset is Nil, carrying amount of such asset less residual value is charged to the retained earnings account. The tax effect of the same has been also adjusted directly against the retained earnings in accordance with the ICAI announcements, "tax effect of expenses/income adjusted directly against the reserves and / securities premium account."

Minimum Alternative Tax (MAT) is not applicable to the company as the company has opted concessional rate of tax under section 115BAB of the income tax act 1961 from the year 2021-22 onwards and hence MAT is not recognized as an asset in the Balance sheet.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will available to realize these assets.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

### **Deferred Tax Expense or Benefit**

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and

liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will available to realize these assets.

The company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

### **Cash and Bank Balances**

Cash and bank balances consist of (i) Cash and cash equivalents which includes cash on hand, balance with banks in Current accounts.

### **Earning Per Share**

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during period is adjusted for the effects of all potential equity shares.

### **Cash Flow Statement**

Cash Flow Statement of the company is prepared following 'indirect method'.

### **Contingent Liabilities and assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligations and there is a reliable estimate of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

A disclosure for a Contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

All liabilities having a reasonable prospect of maturing and known up to a cut-off date are provided for in the financial statements. Other claims against the Company not acknowledged as debt are disclosed after a careful evaluation of the facts and legal aspects of the matter involved by way of a note and are not recognised for accounting or taxation purposes. Contingent assets, if any, are neither recognized nor disclosed.

### **KEY PERFORMANCE INDICATORS OF OUR COMPANY**

*(₹ in lakhs, except for ratios and percentages)*

<b>Particulars</b>	<b>For the three months period ended June 30, 2024</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>
Revenue from operations <sup>(1)</sup>	133.80	616.21	532.06	509.52
Growth in revenue from operations (%) <sup>(2)</sup>	NA	15.82	4.42	NA
Gross Profit <sup>(3)</sup>	66.38	379.10	427.20	419.78
Gross Profit Margin (%) <sup>(4)</sup>	49.61	61.52	80.29	82.39
EBITDA <sup>(5)</sup>	33.11	260.67	290.10	193.73
EBITDA Margin (%) <sup>(6)</sup>	24.74	42.30	54.52	38.02
Restated Profit after tax (PAT) <sup>(7)</sup>	20.44	168.28	190.47	138.72
PAT Margin <sup>(8)</sup>	15.25	27.31	35.80	27.23
RoE (%) <sup>(9)</sup>	3.73	37.13	69.56	150.45
RoCE (%) <sup>(10)</sup>	2.36	19.52	39.60	62.97

Particulars	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Debt / EBITDA Ratio <sup>(11)</sup>	17.56	2.13	0.65	0.27
Debt Equity ratio <sup>(12)</sup>	1.05	1.04	0.71	0.55
Domestic Revenue	133.80	316.96	93.52	32.64
Domestic Revenue as a percentage to revenue from operations	100.00	51.44	17.58	6.41
Export Revenue	0.00	299.25	438.54	476.88
Export Revenue as a percentage to revenue from operations	0.00	48.56	82.42	93.59
Working Capital Days <sup>(13)</sup>	174	139	102	(21)
Inventory Days <sup>(14)</sup>	61	24	25	22
Trade Receivable Days <sup>(15)</sup>	105	100	59	10
Trade Payable Days <sup>(16)</sup>	9	1	2	1

As certified by our Statutory Auditors, M/s. SGS and Company., Chartered Accountants vide their certificate dated November 23, 2024. This certificate has been designated a material document for inspection in connection with the Issue. Please refer to “**Material Contracts and Documents for Inspection**” beginning on page 294.

Notes:

- Revenue from Operations means the revenue from operations as appearing in the Restated Financial Statement.
- Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year, divided by revenue from operations of the preceding period/year.
- Gross Profit is calculated as the difference between revenue from operations less cost of raw material consumed less change in Inventories of work in progress, finished goods and Stock in Trade.
- Calculated as Gross Profit divided by revenue from operations
- EBITDA is calculated as restated profit / (loss) for the period / year, plus finance cost, total taxes, and depreciation and amortisation expense less other income.
- EBITDA Margin (%) is calculated as EBITDA divided by revenue from operations.
- Profit after Tax means restated profit / (loss) for the period/year as appearing in the Restated Financial Statement.
- Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by revenue from operations.
- Return on Equity (%) is calculated as restated profit after tax for the period/year divided by average shareholder's equity.
- Return on Capital Employed is calculated as EBITDA less depreciation and amortization less bank charges divided by Capital Employed. Capital Employed is calculated as total equity plus total borrowings less intangible assets and deferred tax asset.
- Net Debt to EBITDA Ratio is a measurement of leverage, calculated as Total Debt less cash divided by EBITDA.
- Debt Equity ratio is calculated as Debt divided by shareholder's equity. Shareholder's equity is calculated as sum of share capital and reserves and surplus.
- Working Capital Days refers to total current assets days minus total current liabilities days.
- Inventory Days refers to inventory as at the end of the year/period divided by revenue from operations per day. Revenue from operations per day is derived by dividing revenue from operation to number of days during the year (i.e. 365) / during the period.
- Trade Receivable Days refers to trade receivable as at the end of the year/period divided by revenue from operations per day. Revenue from operations per day is derived by dividing revenue from operation to number of days during the year (i.e. 365) / during the period.
- Trade Payable Days refers to trade payables as at the end of the year/period divided by revenue from operations per day. Revenue from operations per day is derived by dividing revenue from operation to number of days during the year (i.e. 365) / during the period.
- The holding period has been computed over 91 (ninety-one) days for the three months period ended June 30, 2024.

### Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

#### Revenue



### Revenue from operations

Revenue from operations comprises income from sale of products namely, narrow fabrics and other operating income.

### Other income

Other income primarily comprises interest on bank deposits, Net Gain/(Loss) on Foreign Currency Transactions and Translation, discount received, ABRY Subsidy, MSME Insurance and others.

### Expenditure

Our expenditure comprises the following:

1. Cost of materials consumed: Cost of materials consumed comprises the cost of raw materials used in the manufacture of our products. Our raw materials include yarn/Latex Rubber Thread.
2. Change in Inventories of work in progress, finished goods, and Stock in Trade: Expenses accounted for pursuant to an (increase)/decrease in inventories of finished goods and work in progress.
3. Employee benefit expenses: Employee benefit expenses comprise of salaries, wages, contribution to provident and other funds, gratuity and staff welfare expenses
4. Finance costs: Finance costs comprise interest expenses on borrowings and other borrowing costs (Bank Charges).
5. Depreciation and amortization expenses: Depreciation and amortization expenses comprise depreciation of tangible assets including our plant and machinery, building, factory equipment, computer equipment, office and other equipment, furniture and fixtures, amongst others; and amortization of intangible assets which includes computer software.
6. Other expenses: Other expenses comprise primarily of rents, repairs and maintenance expenses, legal and professional charges, freight charges, travelling and conveyance, transportation Charges, Telephone & Internet Charges, advertisement & business promotion expenses, commission expenses, miscellaneous expenses, amongst others.

### Geographic information

The following table sets forth a breakdown of our revenue from operations by geography for the periods indicated:

(₹ in lakhs)

Sales Value	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Domestic	133.80	316.96	93.52	32.64
Exports	0.00	299.25	438.54	476.88
<b>Total</b>	<b>133.80</b>	<b>616.21</b>	<b>532.06</b>	<b>509.52</b>

### Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated, for our operations for the three months period ended June 30, 2024 Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(₹ in lakhs unless expressly stated)

Particulars	For the three months period ended June 30, 2024		For the financial year ended March 31,					
			2024		2023		2022	
	Amount in lakhs	% of Total Income	Amount in lakhs	% of Total Income	Amount in lakhs	% Total Income	Amount in lakhs	% of Total Income
Revenue from operations	133.80	97.44	616.21	99.41	532.06	97.64	509.52	97.36
Other income	3.52	2.56	3.66	0.59	12.87	2.36	13.84	2.64
<b>Total income</b>	<b>137.31</b>	<b>100.00</b>	<b>619.87</b>	<b>100.00</b>	<b>544.93</b>	<b>100.00</b>	<b>523.36</b>	<b>100.00</b>

<b>Expenses</b>								
Cost of Raw Materials Consumed	118.52	86.31	245.35	39.58	99.04	18.17	106.23	20.30
Changes In Inventories of Work In Progress, Finished Goods and Stock In Trade	(51.10)	(37.22)	(8.24)	(1.33)	5.83	1.07	(16.49)	(3.15)
Employee Benefit Expenses	17.11	12.46	67.88	10.95	75.85	13.92	91.11	17.41
Finance Costs	3.72	2.71	13.56	2.19	15.20	2.79	7.98	1.52
Depreciation and Amortization Expenses	9.84	7.16	52.46	8.46	55.35	10.16	34.71	6.63
Other Expenses	14.39	10.48	46.96	7.58	57.53	10.56	131.99	25.22
<b>Total expenses</b>	<b>112.47</b>	<b>81.91</b>	<b>417.97</b>	<b>67.43</b>	<b>308.80</b>	<b>56.67</b>	<b>355.54</b>	<b>67.93</b>
Profit before tax	24.84	18.09	201.90	32.57	236.13	43.33	167.82	32.07
<b>Tax expenses</b>								
Current tax	4.58	3.34	37.58	6.06	48.32	8.87	31.03	5.93
Deferred tax	(0.19)	(0.13)	(3.95)	(0.64)	(2.66)	(0.49)	(1.93)	(0.37)
Short /(Excess) Provision for Income Tax of Earlier year	-	-	-	-	-	-	-	-
<b>Total tax expenses</b>	<b>4.40</b>	<b>3.20</b>	<b>33.63</b>	<b>5.42</b>	<b>45.67</b>	<b>8.38</b>	<b>29.10</b>	<b>5.56</b>
<b>Profit for the year</b>	<b>20.44</b>	<b>14.89</b>	<b>168.28</b>	<b>27.15</b>	<b>190.47</b>	<b>34.95</b>	<b>138.72</b>	<b>26.51</b>

## RESULTS OF OPERATIONS

**For the three months period ended June 30, 2024**

### **Income:**

#### ***Total income***

Total income for the three months period ended June 30, 2024 amounted to ₹ 137.31 Lakhs which is on account of revenue from operations and other income.

#### ***Revenue from operations***

Our revenue from operations for the three months period ended June 30, 2024 amounted to ₹ 133.80 Lakhs which is about 97.44 % of the total revenue.

#### ***Other Income***

Other Income includes duty drawback received and interest on bank deposit. Other income for the three months period ended June 30, 2024 amounted to ₹ 3.52 Lakhs which is about 2.56 % of the total revenue.

#### ***Total expenses.***

Total expenses for the three months period ended June 30, 2024 amounted to ₹ 112.47 Lakhs which is about 81.91% of the total revenue.

#### ***Cost of Material consumed***

Our Cost of Material consumed for the three months period ended June 30, 2024 amounted to ₹ 118.52 Lakhs which is about 86.31 % of the total revenue.

#### ***Changes in inventories of Work-in-Progress, Finished Goods, and Stock in Trade***

The Changes in Inventories of Work-in-Progress, Finished Goods, and Stock in Trade for the three months period ended June 30, 2024 amounted to ₹ (51.10) Lakhs which is about (37.22%) of the total revenue.

#### ***Employee Benefits Expense***

Our employee benefits expense for the three months period ended June 30, 2024 amounted to ₹ 17.11 Lakhs which is about 12.46 % of the total revenue.

#### ***Finance Costs***

Our finance costs for the three months period ended June 30, 2024 amounted to ₹ 3.72 Lakhs which is about 2.71 % of the total revenue.

**Depreciation and Amortization Expenses**

Our depreciation and amortization expense for the three months period ended June 30, 2024 amounted to ₹ 9.84 Lakhs which is about 7.16 % of the total revenue.

**Other expenses**

Other expenses for the three months period ended June 30, 2024 amounted to ₹ 14.39 Lakhs which is about 10.48 % of the total revenue.

**Profit before tax**

The profit before tax amounted to ₹ 24.84 Lakhs which is about 18.09 % of total income of our Company for the three months period ended June 30, 2024.

**Tax expenses**

Our tax expenses (current, deferred and Short /(Excess) Provision for Income Tax of Earlier year) for the three months period ended June 30, 2024 amounted to ₹ 4.40 Lakhs which is about 3.20 % of the total revenue.

**Restated Profit for the period**

The profit for the year amounted to ₹20.44 Lakhs which is about 14.89 % of total income of our Company for the three months period ended June 30, 2024.

**Financial Year 2024 compared to Financial Year 2023**

(₹ in lakhs unless expressly stated)

Particulars	For the Financial Year ended March 31,		Change (%)
	2024	2023	
<b>Income</b>			
Revenue from operations	616.21	532.06	15.82
Other income	3.66	12.87	(71.55)
<b>Total income</b>	<b>619.87</b>	<b>544.93</b>	<b>13.75</b>
<b>Expenses</b>			
Cost of raw materials consumed	245.35	99.04	147.72
Changes in inventories of work in progress, finished goods and stock in trade	(8.24)	5.83	(241.43)
Employee benefit expenses	67.88	75.85	(10.51)
Finance costs	13.56	15.20	(10.77)
Depreciation and Amortization expenses	52.46	55.35	(5.23)
Other expenses	46.96	57.53	(18.37)
<b>Total expenses</b>	<b>417.97</b>	<b>308.80</b>	<b>35.35</b>
<b>Profit before tax</b>	<b>201.91</b>	<b>236.14</b>	<b>(14.50)</b>
<b>Tax expenses</b>			
Current tax	37.58	48.32	(22.24)
Deferred tax	(3.95)	(2.66)	48.50
Short /(Excess) provision for income tax of earlier year	-	-	-
<b>Total tax expenses</b>	<b>33.63</b>	<b>45.67</b>	<b>(26.37)</b>
<b>Profit for the year</b>	<b>168.28</b>	<b>190.47</b>	<b>(11.65)</b>

**Total income**

Total income increased by 13.75% from ₹544.93 lakhs for the Fiscal 2023 to ₹619.87 lakhs for the Fiscal 2024 primarily due to increase in revenue from operations.

**Revenue from operations**

Revenue from operations increased by 15.82% from ₹ 532.06 lakhs for the Fiscal 2023 to ₹616.21 lakhs for the Fiscal 2024 mainly from manufacturing of narrow fabric.

**Other Income**

Other Income includes subsidy, interest on bank deposit, net gain on foreign currency transactions and translation, and others. Other income decreased by 71.55% from ₹ 12.87 lakhs in Fiscal 2023 to ₹ 3.66 lakhs in Fiscal 2024. Such decrease in other income was primarily due to a reduction in ABRY subsidy, reduction in duty drawback from ₹3.92 million in Fiscal 2023 to NIL in Fiscal 2022 and reduction in net gain/(loss) on foreign currency transactions.

**Total expenses.**

Total expenses increased by 35.35% from ₹308.80 lakhs for the Fiscal 2023 to ₹ 417.97 lakhs for the Fiscal 2024.

**Cost of material consumed.**

Our Cost of material consumed increased by 147.72% from ₹99.04 lakhs in Fiscal 2023 to ₹245.35 lakhs in Fiscal 2024 primarily due to reduction in margin on product sold to domestic customers. The higher margin for export sales is also due to sale of value-added products such as printed band.

**Changes in inventories of work in progress, finished goods and Stock in Trade.**

The inventories decreased by 241.43% from ₹5.83 lakhs in Fiscal 2023 to ₹(8.24) lakhs in Fiscal 2024 primarily due to increase in stock of finished goods from ₹10.67 lakhs in Fiscal 2023 to ₹18.01 lakhs in Fiscal 2024.

**Employee Benefits Expense**

Our employee benefits expense decreased by 10.51% from ₹75.85 lakhs in Fiscal 2023 to ₹67.88 lakhs in Fiscal 2024 primarily due to reduction in director’s remuneration from ₹21.04 lakhs in Fiscal 2023 to ₹1.65 lakh in Fiscal 2024. The decrease in director’s remuneration is partially off-set by an increase in salary and wages from ₹47.31 lakhs in Fiscal 2023 to ₹53.31 lakhs in Fiscal 2024, increase in contribution to provident and other funds from ₹3.55 lakhs in Fiscal 2023 to ₹4.38 lakhs in Fiscal 2024, increase in bonus paid from ₹NIL in Fiscal 2023 to ₹3.60 lakhs in Fiscal 2024. The increase in salary and wages is primarily due to increase in number of employees and annual salary increment.

**Finance Costs**

Our finance costs decreased by 10.77% from ₹15.20 lakhs in Fiscal 2023 to ₹13.56 lakhs in Fiscal 2024, while loan amount increased from ₹260.91 lakhs to ₹556.66lakhs during the corresponding period. The reduction in interest due to the replacement of higher cost borrowing with subsidized and low-cost borrowing available under certain promoted scheme.

**Depreciation and Amortization Expenses**

Our depreciation and amortization expense decreased by 5.23% from ₹55.35 lakhs in Fiscal 2023 to ₹52.46 lakhs in Fiscal 2024.

**Other expenses**

Our other expenses mainly include transportation charges, telephone & internet charges, power & fuel, travelling & conveyance, packing material consumed, Legal & Professional Charges, Insurance Expenses, Repairs and Maintenance related to Plant and Machineries and others, Rates & Taxes and miscellaneous expenses. Other expenses decreased by 18.37% from ₹57.53 lakhs in Fiscal 2023 to ₹46.96 lakhs in Fiscal 2024. The detail of other expenses are set herein below: -

(₹ in lakhs unless expressly stated)

Particulars	For the financial year ended on March 31, 2024 (in ₹ in lakhs)	For the financial year ended on March 31, 2023 (in ₹)	Change (%)
Packing Material Consumed	4.49	6.34	(29.27)
Advertisement Expenses	0.75	0.06	1085.55
Labour Charges	0.20	16.63	(98.78)
Input Tax Paid	0.45	-	100
Certification Charge	0.13	-	100
Office Equipment's	0.00	0.72	(100.00)
Office Expenses	0.72	0.44	62.83
Repairs and Maintenance Related to			

- Plant and Machineries	1.74	2.80	(37.83)
- Others	-	1.54	(100.00)
Registration & Renewal Fees	-	0.98	(100.00)
Pooja Expenses	0.05	-	100
Power & Fuel	6.62	7.62	(13.15)
Payment of Import Duty	-	-	-
Postage, Printing & Stationery	1.00	0.81	23.05
Auditor's Remuneration	0.30	0.30	0.00
Rent-Others	1.10	-	100
Rates & Taxes	1.40	1.97	(29.16)
Kerala Pollution Control Board Fee	0.56	-	100
Freight & Forwarding Charges	0.00	0.03	(92.15)
Legal & Professional Charges	2.72	3.97	(31.39)
Insurance Expenses	1.52	1.72	(11.84)
ITC Write Off	0.11	-	100
Interest & Fee	-	0.26	(100.00)
Service Charge	0.04	-	100
Travelling & Conveyance	6.01	3.65	64.48
Tea Expenses	0.41	-	100
Transportation Charges	16.36	7.09	130.78
Telephone & Internet Charges	0.16	0.12	38.01
Yarn Purchase	0.02	-	100
Miscellaneous Expenses	0.10	0.48	(78.43)
<b>Total</b>	<b>46.96</b>	<b>57.53</b>	<b>(18.37)</b>

#### ***Profit before Extraordinary Items and tax***

As a result of the foregoing, we recorded a decrease of 14.50 % in our profit before extraordinary items and tax, which amounted to ₹236.14 lakhs in Fiscal 2023, as compared to ₹201.91 lakhs in Fiscal 2024.

#### ***Tax expenses***

Our tax expenses (current, deferred and Short /(Excess) provision for income tax of earlier year) decreased from ₹45.67 lakhs in Fiscal 2023 to ₹33.63 lakhs in Fiscal 2024.

#### ***Restated Profit for the period***

As a result of the foregoing, we recorded a decrease of 11.65% in our profit for the year from ₹190.47 lakhs in Fiscal 2023 to ₹168.28 lakhs in Fiscal 2024. PAT was 27.31% and 35.80% of total income of our Company for the Fiscal 2024 and Fiscal 2023, respectively.

#### ***Financial Year 2023 compared to Financial Year 2022***

(₹ in lakhs)

Particulars	For the Financial Year ended March 31,		Change (%)
	2023	2022	
<b>Income</b>			
Revenue from operations	532.06	509.52	4.42
Other income	12.87	13.84	(6.97)
<b>Total income</b>	<b>544.93</b>	<b>523.36</b>	<b>4.12</b>
<b>Expenses</b>			
Cost of raw materials consumed	99.04	106.23	(6.77)
Changes in inventories of work in progress, finished goods and stock in trade	5.83	(16.49)	135.33
Employee benefit expenses	75.85	91.11	(16.75)
Finance costs	15.20	7.98	90.57
Depreciation and Amortization expenses	55.35	34.71	59.48

Other expenses	57.53	131.99	(56.42)
<b>Total expenses</b>	<b>308.80</b>	<b>355.54</b>	<b>(13.15)</b>
<b>Profit before tax</b>	<b>236.13</b>	<b>167.82</b>	<b>40.71</b>
<b>Tax expenses</b>			
Current tax	48.32	31.03	55.73
Deferred tax	(2.66)	(1.93)	37.61
Current tax of earlier years	-	-	-
<b>Total tax expenses</b>	<b>45.67</b>	<b>29.10</b>	<b>56.94</b>
<b>Profit for the year</b>	<b>190.47</b>	<b>138.72</b>	<b>37.30</b>

#### ***Total income***

Total income increased by 4.12% from ₹523.36 lakhs for the Fiscal 2022 to ₹544.93 lakhs for the Fiscal 2023 primarily due to increase in revenue from operations.

#### ***Revenue from operations***

Revenue from operations increased marginally by 4.42% from ₹509.52 lakhs for the Fiscal 2022 to ₹532.06 lakhs for the Fiscal 2023.

#### ***Other Income***

Other Income includes subsidy, interest on bank deposit, net gain on foreign currency transactions and translation and duty drawback received by the Company. Other income decreased by 6.97% from ₹13.84 lakhs in Fiscal 2022 to ₹12.87 lakhs in Fiscal 2023. Such decrease in other income was primarily due to reduction in duty drawback received by the Company and also net gain/(loss) on foreign currency transactions and translation.

#### ***Total expenses.***

Total expenses decreased by 13.15% from ₹355.54 lakhs for the Fiscal 2022 to ₹308.80 lakhs for the Fiscal 2023.

#### ***Cost of raw material consumed.***

Our Cost of raw material consumed decreased by 6.77% from ₹106.23 lakhs in Fiscal 2022 to ₹99.04 lakhs in Fiscal 2023.

#### ***Changes in inventories of work in progress, finished goods and Stock in Trade.***

The inventories increased by 135.33% from ₹ (16.49) lakhs in Fiscal 2023 to ₹5.83 lakhs in Fiscal 2024 primarily due to decrease in the stock of finished goods.

#### ***Employee Benefits Expense***

Our employee benefits expense decreased by 16.75% from ₹91.11 lakhs in Fiscal 2022 to ₹75.85 lakhs in Fiscal 2023 primarily due to reduction in director's remuneration from ₹60.00 lakhs in Fiscal 2022 to ₹21.04 lakh in Fiscal 2023. The decrease in director's remuneration is partially off-set by an increase in salary and wages from ₹27.05 lakhs in Fiscal 2022 to ₹47.31 lakhs in Fiscal 2023, increase in contribution to provident and other funds from ₹1.49 lakhs in Fiscal 2022 to ₹3.55 lakhs in Fiscal 2023, increase in leave encashment payment from ₹1.30 in Fiscal 2022 to ₹2.35 lakhs in Fiscal 2023. The increase in salary and wages are primarily due to increase in number of employees and annual salary increment.

#### ***Finance Costs***

Our finance costs increased by 90.57% from ₹7.98 lakhs in Fiscal 2022 to ₹15.20 lakhs in Fiscal 2023, due to increase in interest expenses on account of increase in borrowings and bank charges.

#### ***Depreciation and Amortization Expenses***

Our depreciation and amortization expense increased by 59.48% from ₹34.71 lakhs in Fiscal 2022 to ₹55.35 lakhs in Fiscal 2023, primarily due to addition of ₹110.36 lakhs in plant and machineries, vehicle, electrical installation, furniture and fixtures and computers.

#### ***Other expenses***

Our other expenses mainly include labour charges, power & fuel, transportation charges, packing material consumed, travelling & conveyance, repairs and maintenance related to plant and machineries and others, Kerala pollution control board fee. Other

expenses decreased by 56.42% from ₹131.99 lakhs in Fiscal 2022 to ₹57.93 lakhs in Fiscal 2023. The detail of other expenses are set herein below: -

(₹ in lakhs)

Particulars	For the financial year ended on March 31, 2023	For the financial year ended on March 31, 2022	Change (%)
Packing Material Consumed	6.34	4.22	50.45
Advertisement Expenses	0.06	0.00	1471.00
Labour Charges	16.63	97.99	(83.03)
GST Late Fee	-	0.00	(100.00)
GST Voluntary Payment	-	0.04	(100.00)
Certification Charge	-	-	-
Office Equipments	0.72	0.13	453.58
Office Expenses	0.44	0.42	5.05
Repairs and Maintenance Related to			
- Plant and Machineries	2.80	1.92	46.14
- Others	1.54	1.85	(17.13)
Registration & Renewal Fees	0.98	1.28	(23.95)
Power & Fuel	7.62	4.72	61.38
Payment of Import Duty	-	0.02	(100.00)
Postage, Printing & Stationery	0.81	0.38	112.47
Auditor's Remuneration	0.30	0.30	0.00
Rent-Others	-	0.00	0.00
Rates & Taxes	1.97	2.29	(13.99)
Freight & Forwarding Charges	0.03	3.30	(99.15)
Legal & Professional Charges	3.97	0.41	867.98
Insurance Expenses	1.72	1.56	10.10
ITC Write Off	-	-	-
Interest & Fee	0.26	-	100
Travelling & Conveyance	3.65	1.66	120.03
Transportation Charges	7.09	8.88	(20.13)
Telephone & Internet Charges	0.12	0.13	(8.19)
Miscellaneous Expenses	0.48	0.49	(1.99)
<b>Total</b>	<b>57.53</b>	<b>131.99</b>	<b>(56.42)</b>

#### ***Profit before Extraordinary Items and tax***

As a result of the foregoing, we recorded an increase of 40.70% in our profit before extraordinary items and tax, which amounted to ₹236.13 lakhs in Fiscal 2023, as compared to ₹167.82 lakhs in Fiscal 2022.

#### ***Tax expenses***

Our tax expenses (current, deferred and Short /(Excess) provision for income tax of earlier year) increased from ₹29.10 lakhs in Fiscal 2022 to ₹45.67 lakhs in Fiscal 2023. This was primarily due to an increase in income tax paid for current year's profit.

#### ***Restated Profit for the period***

As a result of the foregoing, we recorded an increase of 37.30% in our profit for the year from ₹138.72 lakhs in Fiscal 2022 to ₹190.47 lakhs in Fiscal 2023. PAT was 35.80% and 27.23% of our revenue from operations of our Company for the year ended on March 31, 2023 & March 31, 2022 respectively.

#### **CASH FLOWS**

The following table summarizes our cash flows for the three months period ended June 30, 2024 the Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Particulars	For the three	For the Financial Year ended March 31,
-------------	---------------	--

	months period ended June 30, 2024	2024	2023	2022
Net Cash generated from Operating Activities	6.81	127.12	40.22	213.03
Net Cash (Used in) Investing Activities	(31.83)	(483.05)	(164.27)	(270.01)
Net Cash generated from Financing Activities	27.27	285.78	151.56	100.13
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>2.25</b>	<b>(70.15)</b>	<b>27.51</b>	<b>43.15</b>
Cash and Cash Equivalents at the beginning of the year	2.27	72.42	44.91	1.76
<b>Cash and Cash Equivalents at the end of the year</b>	<b>4.52</b>	<b>2.27</b>	<b>72.42</b>	<b>44.91</b>

#### Cash flows generated from operating activities

Net cash generated from operating activities in for the three months period ended June 30, 2024 was ₹ 6.81 lakhs. Our operating profit before working capital changes was ₹ 36.40 lakhs, which was primarily adjusted by increase in inventories, loans and advances & other assets trade payables, other liabilities and decrease in trade receivables, other provisions..

Net cash outflow generated from operating activities in for the Fiscal 2024 was ₹127.12 lakhs. Our operating profit before working capital changes was ₹262.38 lakhs, which was primarily adjusted by increase in inventories, trade receivables, loans and advances & other assets, other liabilities, other provisions and decrease in trade payables.

Net cash generated from operating activities in for the financial year ended March 31, 2023 was ₹40.22 lakhs. Our operating profit before working capital changes was ₹298.05 lakhs, which was primarily adjusted by increase in inventories, trade receivables, loans and advances & other assets, trade payables, other provisions and decrease in other liabilities.

Net cash generated from operating activities in for the financial year ended March 31, 2022 was ₹213.03 lakhs. Our operating profit before working capital changes was ₹196.67 lakhs, which was primarily adjusted by change in inventories, trade receivables, trade payables, other liabilities, other provisions and loans and advances & other assets.

#### Cash flows generated from / used in investing activities

Net cash used in investing activities was ₹ 31.83 lakhs for the three months period ended June 30, 2024, which primarily comprised of purchase of property, plant & equipment ₹32.06 lakhs as reduced by interest received ₹ 0.23 lakhs.

Net cash used in investing activities was ₹483.05 lakhs in Fiscal 2024, which primarily comprised of purchase of property, plant & equipment ₹485.00 lakhs as reduced by interest received of ₹1.95 lakhs.

Net cash used in investing activities was ₹164.27 lakhs in Fiscal 2023, which primarily comprised of purchase of property, plant & equipment ₹169.19 lakhs as reduced by interest received ₹4.93 lakhs.

Net cash used in investing activities was ₹270.01 lakhs in Fiscal 2022, which primarily comprised of purchase of property, plant & equipment of ₹287.18 lakhs as reduced by cash flow from sale of property, plant and equipment of ₹3.62 lakhs and interest received of ₹13.54 lakhs.

#### Cash flows generated from / (used in) financing activities

Net cash generated from financing activities for the three months period ended June 30, 2024 amounted to ₹ 27.27 lakhs, which predominantly comprised of Repayment of long term borrowings ₹3.70 lakhs, proceeds from short term borrowings of ₹32.92 lakhs and payment of interest and other borrowing cost of ₹1.95 lakhs.

Net cash generated from financing activities in Fiscal 2024 amounted to ₹285.78 lakhs, which predominantly comprised of proceeds of long term borrowings ₹301.77 lakhs, proceeds from short term borrowings of ₹53.98 lakhs, repayment of short term borrowings of ₹60.00 lakhs and payment of interest and other borrowing cost of ₹9.97 lakhs.

Net cash generated from financing activities in Fiscal 2023 amounted to ₹151.56 lakhs, which predominantly comprised of proceeds from long term borrowings of ₹103.05 lakhs, proceeds from short term borrowings of ₹60 lakhs and interest and other borrowing cost of ₹11.49 lakhs.

Net cash generated from financing activities in Fiscal 2022 amounted to ₹100.13 lakhs, which primarily comprised of proceeds from issue of share capital of ₹34.00 lakhs, proceeds from long term borrowings of ₹97.86 lakhs, repayment of short term borrowings of ₹23.75 and interest and other borrowing cost of ₹7.98 lakhs.



## Capital Expenditure

Capital expenditures primarily comprised of purchase of property, plant and equipment. For the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred capital expenditure of ₹32.06 lakhs, ₹485.00 lakhs, ₹169.19 lakhs and ₹287.18 lakhs, respectively.

## Contingent Liabilities

Our Company have no contingent liabilities for the period under review.

### *Details of material developments after the date of last balance sheet i.e., June 30, 2024.*

After the date of last Balance sheet i.e., June 30, 2024, the following material events have occurred:

1. Our Company has allotted bonus shares to the existing shareholders on July 26, 2024,
2. Our Company has approved the audited financial statements for the financial year ending March 31, 2024 in the Board meeting dated July 12, 2024.
3. Our Company has approved the Restated Financial Statements for the three months period ended June 30, 2024 & financial year ending March 31, 2024, March 31, 2023 and March 31, 2022 in the Board meeting dated November 18, 2024.
4. Our Company has approved the Draft Prospectus vide resolution in the Board Meeting dated November 23, 2024.

## AUDITOR OBSERVATIONS

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Audited Financial Statements and also in the Restated Financial Information.

### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given here under:

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in “*Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” page 22. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*” and the uncertainties described in “*Risk Factors*” on page 207 and 22 respectively. To our knowledge, except as discussed in this Draft Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

#### **4. Future changes in relationship between costs and revenues**

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 22, 114 and 207 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

#### **5. Status of any publicly announced New Products or Business Segment**

Except as set out in this Draft Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

#### **6. Seasonality of business**

Our Company's business is not seasonal in nature.

## 7. Competitive conditions

Competitive conditions are as described under the “*Industry Overview*” and “*Our Business*” on pages 104 and 114 respectively.

## 8. Any significant dependence on a single or few customers and suppliers.

Even though we serve a large number of customers we are still dependent on a single or few customers the revenue from our top customer, top 5 (five) customers and top 10 (ten) customers is mentioned below:

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Top customer	38.55	28.81	276.79	44.92	404.08	75.95	431.95	84.78
Top 5 (five) customer	99.22	74.16	471.50	76.52	508.38	95.55	501.43	98.41
Top 10 (ten) customer	115.44	86.28	558.20	90.59	527.06	99.06	506.89	99.48

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

We are dependent on few suppliers for our procurement of raw materials the amounts of purchases from our top supplier, top 5 (five) suppliers and top 10 (ten) suppliers is mentioned below:

Particulars	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase	Amount (₹ in lakhs)	% of total purchase
Sanathan Textile Limited	75.32	64.94	157.06	65.69	74.88	68.61	51.40	43.39
Top 5 (five) supplier	101.87	87.83	212.63	88.93	103.14	93.09	109.02	92.03
Top 10 (ten) supplier	111.76	96.36	228.90	95.74	107.45	98.45	114.99	97.07

*\*As certified by our Statutory Auditors, M/s SGS & Company, Chartered Accountant, vide their certificate dated November 23, 2024*

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters and the Group Companies ("**Relevant Parties**"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.

For the purpose of material litigation in (d) above, our Board in its meeting held on May 25, 2024 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("**Materiality Policy**"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if: (i) the aggregate amount involved which is lesser of 2% of turnover, as per the last audited financial statements of our Company (ii) 2% of net worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the net worth is negative; 5% of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of our Company; or (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per (i), and the amount involved in all of such cases taken together exceeds the amount determined as per (i) or (iii) any such litigation which does not meet the criteria set out in (i) and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated May 25, 2024. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding a threshold of 5% of total consolidated trade payables as per the latest Restated Financial Statements of our Company disclosed in this Draft Prospectus, would be considered as material creditors. The trade payables of our Company as on June 30, 2024. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

All terms defined in a particular litigation disclosure pertains to that litigation only.

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

###### **1. Criminal proceedings**

Nil

###### **2. Outstanding actions by regulatory and statutory authorities**

Nil

###### **3. Material civil proceedings**

Nil

##### **B. Litigation filed by our Company**

###### **1. Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

<b>Particulars</b>	<b>Number of cases</b>	<b>Aggregate amount involved to the extent ascertainable (in ₹ lakhs)</b>
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**II. Litigation involving our Directors (other than Promoters)**

A. *Litigation filed against our Directors (other than Promoters)*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. *Litigation filed by our Directors (other than Promoters)*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

<b>Particulars</b>	<b>Number of cases</b>	<b>Aggregate amount involved to the extent ascertainable (in ₹ lakhs)</b>
Direct Tax	1	2.30*
Indirect Tax	Nil	Nil
<b>Total</b>	<b>1</b>	<b>2.30</b>

\* Includes outstanding tax demand amounting to ₹2,30,662 under section 143(1)(a) of the IT Act for financial year 2009-10.

**III. Litigation involving our Promoters**

A. *Litigation filed against our Promoters*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. *Litigation filed by our Promoters*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

<b>Particulars</b>	<b>Number of cases</b>	<b>Aggregate amount involved to the extent ascertainable (in ₹ lakhs)</b>
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**Outstanding dues to creditors**

As per the Restated Financial Statements, 5% of our trade payables as at June 30, 2024, was ₹ 13.60 lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 0.68 lakhs have been considered as material creditors for the purposes of disclosure in this Draft Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at June 30, 2024, by our Company, are set out below:

<b>Type of creditors</b>	<b>Number of creditors</b>	<b>Amount involved (in ₹ lakhs)</b>
Material creditors*	3	13.01
Micro, Small and Medium Enterprises (MSME)	1	0.51
Other creditors	1	0.08
<b>Total</b>	<b>5</b>	<b>13.60</b>

\*Also includes MSME Creditors

The details pertaining to net outstanding dues towards our material creditors as on June 30, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com).

**Material Developments**

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Details of material developments after the date of last balance sheet i.e., June 30, 2024*" on page 223, there have not arisen, since the date of the last financial information disclosed in this Draft Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in “**Risk Factors**” on page 22, these material approvals are valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “**Key Industry Regulations and Policies**” on page 132.

We have also set out below, (i) material approvals or renewals applied for but not received; (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required but not obtained or applied for, as on the date of this this Draft Prospectus.

Please note that since our Company has recently changed its name and is converted into a public limited company, the below detailed licenses, approval and certification are in the erstwhile name of the Company and the Company undertakes to get such licenses, approval and certification in its present name.

### I. Material approvals obtained in relation to the Issue

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on August 8, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on August 22, 2024, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from the BSE Limited, dated [●].

### II. Material approvals obtained in relation to our business and operations

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### A. Incorporation details of our Company

- a. Our Company was originally incorporated as a private limited company in the name of “*Max Supreme Textiles Private Limited*” vide Certificate of Incorporation dated January 14, 2021, issued by the Registrar of Companies.
- b. Fresh Certificate of Incorporation dated February 28, 2024, issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from “*Max Supreme Textiles Private Limited*” to “*Max Supreme Textiles Limited*”.
- c. The CIN of our Company is U17299KL2021PLC066902

#### B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Date of Validity/ Renewal	Date of Expiry
1.	Permanent Account Number	AAOCM2083Q	Income Tax Department	January 13, 2021	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	CHNM08225A	Income Tax Department	January 15, 2021	Valid till cancelled
3.	GST Registration Certificate	32AAOCM2083Q1ZX	Goods and Services Tax Department	February 24, 2021	Valid till cancelled

#### C. Regulatory approvals for our Company:

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Provident Fund Code Number*	KRKKD2277670000	Employees Provident Fund Organisation	January 14, 2021	Valid till cancelled
2.	ESIC – Registration Code	54000261540000999	Employees’ State Insurance Corporation, Ministry of Labour and Employment	January 14, 2021	Valid till cancelled
3.	Trade License for providing services like factories, trades, entrepreneurship activities & others – Unit I	JC1/2531/608/2024	Secretary, Nenmara Grama Panchayat, Kerala	May 14, 2024	March 31, 2027
4.	Factory License – Unit I*	D13/PGT/09/763/2022	Department of Factories and Boilers, Government of Kerala	July 25, 2022	December 31, 2026
5.	Consent to Establish Under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986– Unit I *	PCB/PLKD/ICE/F/15556622/2021	Kerala State Pollution Control Board	June 02, 2021	June 01, 2026
6.	Consent to Operate – Unit I	KSPCB/PL/ICO/10063913/VAR/2024	Kerala State Pollution Control Board	April 05, 2024	November 30, 2026
7.	Certificate of Stability - Unit I*	VS/June/02/2022	Department of Factories and Boilers, Thrissur, Kerala	June 02, 2022	Valid till cancelled
8.	Generator – MV (62.5 kVA) installation Sanction Letter – Unit I*	B3-08697/21/EIP	Department of Electrical Inspectorate, Government of Kerala	May 06, 2022	Valid till cancelled
9.	Solar Grid (50 kW) installation Sanction Letter – Unit I*	B2-02074/23/EIP	Department of Electrical Inspectorate, Government of Kerala	June 15, 2023	Valid till cancelled
10.	Acknowledgement Certificate under sub-section 3 of section 5 of the Kerala Micro Small Medium Enterprise Facilitation Act, 2019 – Unit II*	KLMSME-9489/2022	Department of Industries and Commerce, Government of Kerala	November 18, 2022	November 17, 2025
11.	Factory License – Unit II*	D13/PGT/09/1849/2024	Department of Factories and Boilers, Government of Kerala	January 20, 2024	December 31, 2027
12.	Consent to Operate/ Authorisation/	KSPCB/PL/ICO/10054275/2024	Kerala State Pollution Control Board	March 06, 2024	February 07, 2028

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue/Renewal	Date of Expiry
	Registration – Unit II				
13.	Certificate of Stability - Unit II*	TEC/96/F&B/23	Chartered Engineer, Competent Person, Department of Factories and Boilers	November 17, 2023	Valid till cancelled
14.	Certificate of Importer Exporter Code*	AAOCM2083Q	Directorate General of Foreign Trade	March 10, 2021	Valid till cancelled
15.	UDYAM Registration Certificate*	UDYAM-KL-10-0003996	Ministry of Micro, Small and Medium Enterprises, Government of India	March 01, 2021	Valid till cancelled

\* The certificates, licenses, registrations are presently in the name of 'Max Supreme Textiles Private Limited'. Our Company is in the process of changing to its present name 'Max Supreme Textiles Limited' pursuant to conversion from private to public limited.

### III. Material approvals related to our Subsidiaries

Nil

### IV. Material approvals or renewals for which applications are currently pending before relevant authorities

Nil

### V. Material approvals expired and renewal yet to be applied for

Nil




### VI. Material approvals required but not obtained or applied for

Nil

### VII. Intellectual Property -

As on the date of this Draft Prospectus, our Company does not have any registered trademark or any pending applications with the Registrar of Trademarks under the Trademarks Act, 1999

### VIII. Pending Intellectual property related approvals application:

Serial No.	Particulars of the Mark	Application No.	Class of Registration	Date of Application
1.		6537101	22	July 22, 2024
2.		6537102	23	July 22, 2024
3.		6537103	24	July 22, 2024

For risk associated with our intellectual property please see, “*Risk Factors-Our Company has applied for registration of the trademarks in its name. Until such registration is granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill*” on page 31.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board of Directors passed at their meeting held on August 8, 2024 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of our Company held on August 22, 2024.

Our Board has approved this Draft Prospectus through its resolution dated November 23, 2024.

We have received In-Principle Approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in this Draft Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited (BSE) is the Stock Exchange.

### PROHIBITION BY THE SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### ASSOCIATION WITH SECURITIES MARKET

Except for T. Vinaya Kumar who serves as a Director on the Board of Sharewealth Securities Limited, a SEBI registered stock broker and as Chairman and Director of Moat Financial Services Private Limited, SEBI registered PMS, none of our Directors are in any manner associated with the securities market. Except for the withdrawal of membership rights of Moat Financial Services Private Limited by BSE Limited vide its circular dated March 26, 2024, there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors in the five years preceding the date of this Draft Prospectus.

### PROHIBITION BY RBI

Neither our Company, our subsidiary, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in “*Outstanding Litigations and Material Development*” on page 225.

### CONFIRMATIONS

- i. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of BSE. Our Company also complies with eligibility conditions laid by SME Platform of BSE Limited for listing of Equity Shares.

### We confirm that:

- i. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have not filed any Draft Issue Document with SEBI nor has SEBI issued any observations on our Issue Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the

time of filing the Draft Prospectus/ Prospectus with Stock Exchange and the Registrar of Companies.

- ii. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see **“General Information”** on page 56.
- iii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee’s in the issue shall be greater than or equal to fifty (50), failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI (ICDR) Regulations, 2018 and other applicable laws. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, we hereby confirm that we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see **“General Information”** on page 56.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE Limited (‘BSE SME), which are as under

**a. The issuer should be a Company incorporated Under Companies Act, 1956/2013.**

Our Company is incorporated under the Companies Act, 2013.

**b. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be less than ₹ 25 crores.

**c. Track Record**

**• Our Company have a (combined) track record of at least 3 years.**

Our Company was incorporated on January 13, 2021 and has a track record of at least 3 years as on the date of filling Draft Prospectus -

(₹ in lakhs)

Particulars	As on June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Net Profit as per Restated Financial Statement	20.44	168.28	190.47	138.72

**• The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

(₹ in lakhs)

Particulars	As on June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Cash Accruals as per Restated Financial Statement	33.11	260.67	290.10	193.73
Net Worth as per Restated Financial Statement	557.75	537.31	369.03	178.56

d. **Net Tangible Assets as below:**

(₹ in lakhs)

Particulars	As on June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Total Assets	1245.24	1,178.84	677.04	405.19
Less: Total Liabilities	687.49	641.53	308.01	226.63
Less: Total Intangible Assets	0.12	0.15	-	-
<b>Net Tangible Assets</b>	<b>557.63</b>	<b>537.17</b>	<b>369.03</b>	<b>178.56</b>

e. **The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN: INE0V1F01010

f. **Leverage Ratio**

The Leverage ratio (Total Debts to Equity) of the Company as on June 30, 2024 (three months period) and financial year ended on March 31, 2024 was 1.05 and 1.04, respectively, which is less than the limit of 3:1.

g. **Company shall mandatorily have a website.**

Our Company has a live and operational website - [www.maxsupremetextiles.com](http://www.maxsupremetextiles.com)

h. **Other Listing Condition:**

- i. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. The Company has not been referred to NCLT under IBC.
- iii. There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- iv. There has been no change in the Promoters of the Company in preceding one year from the date of filing application to SME Platform of BSE Limited ('BSE SME') segment
- v. The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
- vi. There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past one year in respect of Promoters of our Company.
- vii. The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in principle approval.
- viii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, Promoters, companies promoted by the Promoters during the past three years.
- ix. There are no criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For further details please see "**Legal and Other Information**" on page 225.
- x. The applicant, Promoters, companies promoted by the Promoter litigation record, the nature of litigation, and status of litigation. For further details please see "**Legal and Other Information**" on page 225.
- xi. 100% of the Promoter's shareholding in the Company is in Dematerialised form.
  
- xii. None of our Directors are disqualified / debarred by any of the Regulatory Authority.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE Limited ('BSE SME').

## **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 23, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.**

### **DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER**

Our Company, our Directors and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website <https://www.maxsupremetextiles.com> would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters and our Company. All information shall be made available by our Company and the LM to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

### **CAUTION**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian

mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 lakhs and pension funds with a minimum corpus of ₹ 2,500.00 lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE Limited. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **LISTING**

Our company has obtained In-Principle approval from BSE Limited vide letter dated [●] to use name of BSE Limited in this offer document for listing of equity shares on SME Platform of BSE Limited, with which Basis of Allotment will be finalized.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining in-principle approval from SME Platform of BSE Limited. Application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within 3 Working Days of the Issue Closing Date.

## **CONSENTS**

The written consents of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, SGS & Company, Chartered Accountants, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, Restated Financial Statements and statement of Tax Benefits dated November 18, 2024 and November 23, 2024, respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn as on the date of this Draft Prospectus.

Our Company has also received written consent dated May 16, 2024, from S Mohanan, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the Independent Chartered Engineer, and such consent has not been withdrawn as on the date of this Draft Prospectus.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided Further, where the fraud involves an amount less than ten lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakhs or with both.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.fedsec.in](http://www.fedsec.in)

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
<b>MAINBOARD IPOs</b>								
1.	Mukka Proteins Limited	224.00	28.00	March 07, 2024	40.00	35.54% 0.09%	11.07% (2.71) %	65.25% 12.38%
2.	Deepak Builders & Engineers India Limited	260.04	203.00	October 28, 2024	200.00	Not Applicable	Not Applicable	Not Applicable
<b>SME IPOs</b>								
1.	Polysil Irrigation Systems Limited	17.43	54.00	February 16, 2024	56.00	(35.63%) 0.07%	(32.31%) 0.73%	(40.74%) 9.52%
2.	Deem Roll-Tech Limited	29.26	129.00	February 27, 2024	200.00	(29.15%) (0.34%)	(15.31%) 3.31%	(14.38%) 12.67%
3.	Gconnect Logitech and Supply Chain Ltd	5.60	40.00	April 03, 2024	42.00	(11.30%) 0.99%	83.75% 7.58%	72.50% 14.11%
4.	Vruddhi Engineering Works Ltd	4.76	70.00	April 03, 2024	71.00	99.71% 0.99%	344.14% 7.58%	212.07% 14.11%
5.	Finelistings Technologies Limited	13.53	123.00	May 14, 2024	127	(52.89) % 4.79 %	(58.14%) 8.95%	(52.11%) 8.74%
6.	Magenta Lifecare Limited	7.00	35.00	June 12, 2024	45	15.26% 4.30%	(14.29%) 6.47%	Not Applicable
7.	Broach Lifecare Hospital Limited	4.02	25.00	August 21, 2024	47.50	12.04% 2.82%	15.64% (4.41%)	Not Applicable
8.	Boss Packaging	8.40	66.00	September 06, 2024	82.50	(2.88%) (0.23%)	Not Applicable	Not Applicable

	Solutions Limited							
9.	Naturewings Holidays Limited	7.03	74.00	September 10, 2024	95.00	(28.04%) (0.55%)	Not Applicable	Not Applicable
10.	Hvax Technologies Limited	33.52	458.00	October 07, 2024	486.00	33.86% (2.35%)	Not Applicable	Not Applicable

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**Note:**

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
- This disclosure is restricted to last 10 issues handled by the Lead Manager.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar Day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	*5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	**7	131.26	-	1	1	1	2	2	-	-	3	3	-	1
2023-24	***14	541.52	-	4	3	3	3	1	-	3	3	3	2	3
2024-25	****9	343.90	1	1	2	1	1	2	1	-	-	2	-	-

\* The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

\*\* The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.

\*\*\*The scripts of Pattech Fitwell Tube Components Limited, Yasons Chemex Care Limited, Pramara Promotions Limited, Kundan Edifice Limited, Oneclick Logistics India Limited, Sharp Chucks and Machines Limited, Committed Cargo Care Limited, KK Shah Hospitals, IBL Finance Limited, Docmode Health Technologies Limited, Baweja Studios Limited, Polysil Irrigation Systems Limited, Deem Roll-Tech Limited & Mukka Proteins Limited were listed on April 21, 2023, August 03, 2023, September 13, 2023, September 26, 2023, October 11, 2023, October 12, 2023, October 18, 2023, November 6, 2023, January 16, 2024, February 02, 2024, February 06, 2024, February 16, 2024, February 27, 2024 & March 07, 2024, respectively.

\*\*\*\* The scripts of Gconnect Logitech and Supply Chain Limited, Vruddhi Engineering Works Limited were listed on April 03, 2024. The script of Finelistsings Technologies Limited was listed on May 14, 2024. The script Magenta Lifecare Limited and Broach Lifecare Hospital Limited were listed on June 12, 2024 and August 21, 2024 and have not completed 180 calendar days. The scripts of Boss Packaging Solutions Limited, Naturewings Holidays Limited and Hvax Technologies Limited were listed on September 06, 2024, September 10, 2024 and October 7, 2024, respectively, and have not completed 90 days. The script of Deepak Builders & Engineers India Limited was listed on October 28, 2024 and have not completed 30 days.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial



public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.fedsec.in](http://www.fedsec.in).

#### **EXPERT OPINION**

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

- (a) Peer Review Auditors' reports dated November 18, 2024 on the Restated Financial Statements by M/S, SGS & Company, Chartered Accountants.
- (b) Statement of Tax Benefits dated November 23, 2024 by M/S, SGS & Company, Chartered Accountants.
- (c) Capacity utilization certificate dated November 22, 2024 by S Mohanan, Chartered Engineer
- (d) Certificate on compliance with the provisions of the Companies Act 2013 dated September 27, 2024, from Midhuna K C Practicing Company Secretary

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Except as stated in "*Capital Structure*" on page 66, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

#### **COMMISSION OR BROKERAGE**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

#### **CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Except as disclosed in "*Capital Structure*" on page 66 our Company has not made any capital issue during the previous three (3) years.

Further, Our Company do not have any listed group Companies/ Subsidiaries / Associates.

#### **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the "*Capital Structure*" on page 66 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI**

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum

of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on May 15, 2024. For further details, please see "*Our Management*" on page 142.

Our Company has also appointed Hareesh K G as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

#### **MAX SUPREME TEXTILE LIMITED**

10/1051, Ayyappanpara, Thevarmani,

Chathamangalam PO, Nemmara,

Palakkad, Chittur, Kerala, India, 678508

**Tel No:** +91 04923291956

**Email:** [info@maxsupremetextiles.com](mailto:info@maxsupremetextiles.com)

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

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

## SECTION VIII - ISSUE INFORMATION

### TERMS OF ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the "UPI Circular") in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+3 days until March 31, 2020 ("UPI Phase II"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on the operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application for Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

This Issue has been authorized by a resolution of our Board passed at their meeting held on August 8, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Annual General Meeting of the Company held on August 22, 2024.

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the issue shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see "**Main Provisions of the Articles of Association**" on page 281

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on pages 160 and 281.

### **Face Value and Issue Price**

*The face value of the Equity Shares is ₹10.00/- each and the Issue Price is ₹62/- per Equity Share (including premium of ₹52/- per Equity Share).*

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the "*Basis for Issue Price*" on Page 91.

At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

### **The Issue**

The Issue comprises a Fresh Issue by our Company. Expenses for the Issue shall be in the manner specified in "*Objects of the Issue*" on page 77.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please see "*Main Provisions of Articles of Association*" on page 281.

### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form.

As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Prospectus:

- Tripartite agreement dated April 8, 2024 among NSDL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated July 18, 2024, 2024 among CDSL, our Company and the Registrar to the Issue.

The ISIN assigned to the Equity Shares is INE0V1F01010

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by SME Platform of BSE Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within Four (4) working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities situated at Kochi, Ernakulam, India

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect

#### Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	[ ● ]
<b>ISSUE CLOSSES ON</b>	[ ● ]
<b>FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	[ ● ]
<b>INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	[ ● ]
<b>CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES</b>	[ ● ]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE</b>	[ ● ]

*UPI mandate end time and date shall be at 5:00 p.m. on Issuing Closing Date*

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to subject to the Issue Period not exceeding ten (10) working days*

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may, be would be rejected.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher, from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges platform up to the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant will be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount, except the original application amount, whichever is higher from the date on which such multiple amounts were blocked up to the date of actual unblock; (iii) any blocking of amounts more than the application amount, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked up to the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant will be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date, by the SCSB responsible for causing such delay in unblocking. The Lead Manager will be liable to compensate the Applicant at a uniform rate of ₹100 per day or 15% per annum of the application amount, whichever is higher from the date of receipt of the Investor grievance up to the date on which the blocked amounts are unblocked. The Applicant will be compensated in the manner specified in the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which for the avoidance of doubt, will be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by a UPI Applicant for an amount of more than ₹2,00,000 and up to ₹5,00,000, using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

**The above timetable, other than the Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Lead Manager.**

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE SME taken within Three (3) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from SME Platform of BSE Limited. The Commencement of trading of the Equity Shares will be entirely at the discretion of BSE Limited and in accordance with the applicable laws.

**SEBI is in the process of streamlining and reducing the post offer timeline for IPOs. Any circular or notification from SEBI after the date of this Draft Prospectus may result in changes to the abovementioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.**

**Submission of Application Forms:**

<b>Issue period (except the Issue Closing Date)</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
<b>Issue Closing Date</b>	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 pm on Issue/Offer Closing Date*

**On the Issue Closing Date, the Applications shall be uploaded until:**

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Prospectus is Indian Standard Time (IST). Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

The Designated Intermediaries are given until 5:00 pm on the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Applications and any revision in Applications shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company or Lead Manager is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Promoters or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within Three (3) Working Days from the Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoters, as may be required in respect of its respective portion of the Issued Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoters confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Issued Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Three Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.



In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus/prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

**SEBI is in the process of streamlining and reducing the post issue timeline for initial public offers and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Any circulars or notifications from SEBI after this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change based on any revised SEBI circulars to this effect.**

**It is clarified that applications not uploaded on the electronic application system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Draft Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received BSE SME may be taken as the final data for the purpose of Allotment.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

Section 39 of the Companies Act states that if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of the Prospectus, the application amount must be returned

within such period as may be prescribed.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a.)

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within Four (4) working days of closure of issue.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly see **“General Information - Underwriters”** on page 62.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application

#### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 2,000 Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the Pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the **“Capital Structure”** on 66, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please see **“Main Provisions of the Articles of Association”** on 281.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of BSE Limited from the SME Platform of BSE Limited on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above Rs. 25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE Limited for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares issued though this issue is proposed to be listed on the SME Platform of BSE Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three (3) years from the date of listing of shares issued though this Draft Prospectus. For further details of the market making arrangement please see “**General Information**” on page 56.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Applicants within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please see “*Terms of the Issue*” and “*Issue Procedure*” on pages 242 and 252 respectively.

Fresh issue of up to 17,20,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 62/- per Equity Share including a securities premium of ₹ 52/- per Equity Share (the “Issue Price”) aggregating to maximum ₹ 1,066.40 lakhs. (“the Issue”) by our Company.

Particulars**	Net Issue to Public	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	16,32,000 Equity Shares of ₹10/- each*	88,000 Equity Shares of ₹10/- each
<b>Percentage of Issue Size available for allocation</b>	94.88%	5.12
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 2,000 Equity Shares each.  For further details please refer to “ <i>Issue Procedure-Basis of Allotment</i> ” on page 275.	Firm Allotment
<b>Mode of Application</b>	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
<b>Minimum Application Size</b>	<b>For other than Retail Investors:</b> 4,000 Equity Shares at Issue price of ₹62/- each so that the Application Value exceeds ₹2,00,000.  <b>For Retail Individuals:</b> 2,000 Equity Shares at Issue price of ₹62/- each.	88,000 Equity Shares
<b>Maximum Application</b>	<b>For Other than Retail Individual Investors:</b> 16,32,000 Equity Shares at Issue price of ₹62/- each. (The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.)  <b>For Retail Individuals Investors:</b> 2,000 Equity Shares at Issue price of ₹62/- each.	88,000 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode	
<b>Trading Lot</b>	2,000 Equity Shares	2,000 Equity Shares may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations,
<b>Terms of payment</b>	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

\* 50 % of the shares issued in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2 lakhs and the balance 50 % of the shares are available for applications whose value is above ₹ 2 lakhs.

\*To be finalized at the time of filing of Prospectus

**Note:**

1. *In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please see “Issue Procedure” on page 252.*

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue (“GID”), prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI and updated pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Please note that the information stated/covered in this chapter may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (“UPI Phase I”).*

*With effect from July 1, 2019, with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per Sebi Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time.*

The revisions of the circular dated June 02, 2021 are elaborated as under:

- SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.

- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Please note that the information stated/covered in this chapter may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicant are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

### ***Phase I:***

This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six working days.

### ***Phase II:***

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking

of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six working days during this phase.

### **Phase III:**

SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

The Issue will be made under UPI Phase II of the UPI Circulars, unless Phase III of the UPI Circulars becomes mandatorily effective and applicable on or prior to the Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circulars, the same will be advertised in shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and all editions of Malayalam newspaper (Malayalam being the regional language of Kerala, where our Registered Office is located), on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Issue LM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹5 lakh, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2 lakh and up to ₹5 lakh, using the UPI Mechanism, shall provide their UPI ID in the Application Form for making application through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

### **Fixed Price Issue Procedure**

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than



the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.**

#### **Electronic Registration of Applications**

- a) The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.
- b) On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Availability of Draft Prospectus, Prospectus and Application Forms**

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding electronic Application Form.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Application Forms will also be available on the website of the BSE (<https://www.bseindia.com/sme>). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

#### Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	Registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

<b>SCSBs with use of UPI for payment:</b>	Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.
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Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/ClientID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorized our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### **WHO CAN APPLY?**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**

***For Retails Individual Applicants***

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2 lakhs. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2 lakhs.

***For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):***

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2 lakhs and in multiples of 2,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Application amount upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2 lakhs for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

#### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialized subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **Application By HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form/Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **Application by Indian Public including eligible NRIs applying on non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of

Equity Shares issued to the public.

#### **Application by Eligible NRIs/FII's on Repatriation Basis**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

#### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ nor An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

#### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public issue.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public issue of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public issue would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their application, without assigning any reason thereof

#### **Application by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Application by Insurance Companies**

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India Investment) Regulations, 2016 ("IRDA Investment Regulations").

- i. Equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- ii. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

- iii. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 lakhs and pension funds with a minimum corpus of ₹ 2,500 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.



The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **ASBA Process and Electronic Registration of Application**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

**Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.**

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Terms of payment**

The entire Issue price of ₹ 62/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the application Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the application Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

#### **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

### **UNBLOCKING OF FUNDS:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the application till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

*Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.*

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;
  10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  11. Bank account number
  12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
  13. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application

form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
15. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
16. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

#### **WITHDRAWAL OF APPLICATIONS**

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Applications at any stage.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. For further details please see "*General Information*" on page 56.

#### **FILING OF THE DRAFT PROSPECTUS**

For filing details, please see "*General Information*" on page 56.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

#### **PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their

applications at any stage.

- e) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **ISSUANCE OF ALLOTMENT ADVICE**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **ISSUANCE OF CONFIRMATION ALLOCATION NOTE ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

#### **GENERAL INSTRUCTIONS**

Applicants are requested to note the additional instructions provided below.

##### **Do's:**

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure

that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;

7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to

the Application Amount mentioned in the Application Form at the time of submission of the Application;

23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);



18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant’s bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated June 10, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **OTHER INSTRUCTIONS**

#### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications

will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant 's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

### **PERMANENT ACCOUNT NUMBER (“PAN”)**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs

using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

#### **GROUND FOR TECHNICAL REJECTIONS**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated "*Issue Structure*";
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of the First Applicant or sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI;

### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) A tripartite agreement dated April 8, 2024 with NSDL, our Company and Registrar to the Issue;
- b) A tripartite agreement dated July 18, 2024 with CDSL, our Company and Registrar to the Issue;
- c) The Company's shares bear an ISIN No: INE0V1F01010
- d) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- e) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- f) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- g) Names in the Application Form or Revision Form should be identical to those appearing in the account Details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- h) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- i) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- j) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- k) The trading of the Equity Shares of our Company would be only in dematerialized form.

### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Company Secretary and Compliance Officer Hareesh K G or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

<p><b>Max Supreme Textile Limited</b>  10/1051, Ayyappanpara, Thevarmani, Chathamangalam Po,  Nemmara, Palakkad, Chittur, Kerala, India, 678508  <b>Tel No:</b> +91 04923 291956  <b>Email:</b> <a href="mailto:info@maxsupremetextiles.com">info@maxsupremetextiles.com</a>  <b>Website:</b> <a href="http://www.maxsupremetextiles.com">www.maxsupremetextiles.com</a></p>	<p><b>KFin Technologies Limited</b>  Selenium Tower-B, Plot 31 &amp; 32, Gachibowli,  Financial District, Nanakramguda, Serilingampally,  Hyderabad – 500 032, Telangana  <b>Tel No.:</b> +91 40 6716 2222  <b>Fax No:</b> 022-6263 8299  <b>Email:</b> <a href="mailto:mstl.ipo@kfintech.com">mstl.ipo@kfintech.com</a>  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a></p>
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### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Applying Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to

the clearing system within 2 Working Days from the Issue Closing Date.

## **IMPERSONATION**

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

## **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 2,000 Equity Shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 2,000 Equity Shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2,000 Equity Shares subject to a minimum allotment of 2,000 Equity Shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 2,000 Equity Shares, results in the actual allotment being higher than the shares issue, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants

other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

- c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled "**Basis of Allotment**" of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2 lakhs Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. No Retail Individual applicant will be allotted less than the minimum application Lot subject to availability of Equity

Shares in Retail Individual Investor Category and the remaining available Equity Shares, if any will be allotted on a proportionate basis. The Company is required to receive a minimum subscription of 90% of the Issue.

**Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, Registrar to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- Registrar identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- Registrar prepares the list of final rejections and circulate the rejections list with LM / Company for their review/ comments.
- Post rejection, the Registrar submits the basis of allotment with the Stock Exchange.
- The Stock Exchange, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The Registrar uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

**Process for generating list of allottees: -**

- Instruction is given by Registrar in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Stock Exchange is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the Registrar will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting

Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The authorized representative of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

#### **GROUNDS FOR REFUND**

##### *Non-Receipt of Listing Permission*

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in this Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this Draft Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank / Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within Four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in this Draft Prospectus.

##### *Minimum Subscription*

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Draft Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

##### *Minimum Number of Allottees*

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

#### **MODE OF REFUNDS**

- a) **In case of ASBA Applications:** Within Four (4) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA Applications withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Issue.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars

or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

- c) **In case of Investors:** Within Four (4) Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

#### **MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Applicant as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the LM or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Issue, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to this Draft Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum (15% p.a.) if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at



all the Stock Exchange are taken within 3 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 2 Working Days of the Issue Closing Date.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (Three) working days of closure of the Issue;
3. That funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“DPIIT”), issued the FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Under the current FDI Policy, 100% foreign direct investment is permitted in the information technology sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Issue Procedure*” on page 252 respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 252.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.**

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

**SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

THE COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)  
ARTICLES OF ASSOCIATION  
OF  
**ARTICLES OF ASSOCIATION**  
OF  
**MAX SUPREME TEXTILES LIMITED**  
(COMPANY LIMITED BY SHARES)

1. The words and expressions shall have the following meanings unless repugnant to or inconsistent with the subject.
- a) “The Act” means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof, for the time being in force.
  - b) “These Articles” means the Articles of Association as originally framed or as from time to time altered in accordance with the provisions contained in these Articles and in the Act.
  - c) “The Board of Directors” or “The Board” means the Board of Directors from the time being of the Company.
  - d) “The Company means “**MAX SUPREME TEXTILES LIMITED**”
  - e) “The Directors” or Directors means the Directors for the time being of the Company.
  - f) “Managing Director” means the Managing Director for the time being of the Company.
  - g) “Manager” means the Manager appointed as such for the time being of the Company.
  - h) “Month” means calendar month.
  - i) “Office” means the Registered Office for the time being of the Company.
  - j) “Proxy” includes attorney duly constituted under a Power of Attorney.
  - k) “Register” means the Register of Members of the Company required to be kept by Section 88 of the Act.
  - l) “Registrar” means the Registrar of Companies, Kerala.
  - m) “Seal” means the Common seal of the Company.
  - n) “Secretary” means the Secretary for the time being of the Company.

“In Writing” and “Written” include printing, Lithography and other modes or representing or reproducing words in a visible form.

Words imparting the singular number shall include the plural number and vice versa.

Words imparting masculine gender shall include the feminine gender.

Words imparting persons include corporations.

2. The Regulations contained in Table F in the First Schedule to the Companies Act, 2013 so far as not altered or added by the provisions hereinafter contained shall apply to this Company.

**PUBLIC COMPANY**

3. The Company is a public Company within the meaning of Section 2(71) of Companies Act, 2013, which:

- (a) is not a private company;
- (b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles

### **SHARE CAPITAL**

4. The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.

Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

### **ISSUE AND ALLOTMENT OF SHARES**

- 5.
- a) Issue of Shares on Private Placement**
- Subject to the provisions of Section 42 and other applicable provisions of the Companies Act 2013 and any statutory modifications thereof and further subject to Compliance of rules framed thereunder, as amended from time to time, the Company can make Private Placement.
- b) Further issue of Shares**
- Subject to the provisions of Section 62 and other applicable provisions of the Companies Act 2013 and any statutory modifications thereof and further subject to Compliance of rules framed thereunder, as amended from time to time, the Company can make further issue of Shares.
- c) of Shares at a Premium**
- The Company shall have the power to issue shares at premium, but in doing so, it shall comply with the provisions of section 52 of the Act or any statutory modifications thereof.
- d) Power to issue shares at a discount**
- Except as provided in Section 53, Company shall not issue shares at a discount.
- e) Power to issue sweat equity shares**
- Subject to the provisions of Section 54 and other applicable provisions of the Companies Act and any statutory modifications thereof and further subject to Compliance of any rules notified, the company shall have the power to issue sweat equity shares to its employees, directors or other persons, as may be decided by the company from time to time.
- f) Power to issue instruments**
- The Company may subject to the provisions of the Act, issue any instrument(s) including warrants, commercial paper and /or any other financial instrument to any person/bodies corporate on such terms and conditions as may be deemed fit.
- g) Buy-Back of Shares**
- Subject to the provisions of Section 68, 69, 70 and other applicable provisions of the Companies Act and subject to compliance of any rules notified, the company shall have power to buy-back its own securities on such terms and conditions as the company may decide from time to time.
6. The Board of Directors may allot and issue the shares in the Company in full or part payment of any property sold or transferred or for services rendered in the conduct of its business and any shares which may be so issued shall be deemed to be fully/partly paid up shares.
7. Any money due from the Company to a shareholder, may with or without the consent of such shareholder, be applied by the Company on or towards the payment of any money due whether jointly or severally from him to the Company.

8. Any application signed by or on behalf of an applicant for shares the Company followed by an allotment of any shares here in shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered in the register shall be a member for the purpose of these Articles.
9. The joint holders of a share shall be severally as well as jointly liable for the payment of all calls due in respect of such shares.
10. The certificate of title to shares shall be issued under the seal of the Company and shall be signed by the Managing Director if any, or by any one of the other Directors and a person appointed by the Board in this behalf or by the Secretary.
11. If a share certificate issued by the Company is defaced, lost or destroyed, it may be reissued on such terms as to evidence and indemnity and the payment of any out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors think fit subject to the Companies (Share Capital and Debentures) Rules, 2014

### **CALLS**

12. The Board of Directors may from time to time subject to the terms on which any shares may have been issued and subject to the condition of allotment by a resolution passed at the meeting of the Board make such calls as it thinks fit upon the members and each member shall pay the amount of every call so made at the time and place fixed by the Board.
13. A call shall be deemed to have been made at the time when the resolution of the Directors approving such call was passed.
14. Fourteen days notice shall be given specifying the time and place of payment of the calls so made and to whom such call be paid.
15. If the sum payable in respect of the call is not paid in time, the holder for the time being of the share in respect of such call is due shall be liable to pay interest for the same at such rate as may be determined by the Board of Directors.
16. The Company shall have the first paramount lien on every share for all monies in respect of that share and on all shares registered in the name of any one person or in the joint name of such persons to the Company otherwise than in respect of fully paid up shares.
17. The Company's lien on shares shall not extent to the dividend payable thereon.

### **TRANSFER OF SHARES**

18.
  - (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - (iii) Until mutually agreed in writing by and between all the directors the said Company shall not transfer any shares.
19. The Board may, subject to the right of appeal conferred by section 58 decline to register—
  - a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - b) any transfer of shares on which the company has a lien.
20. The Board may decline to recognise any instrument of transfer unless—
  - a) the instrument of transfer is in the form as prescribed in rules made under sub-section (I) of section 56;
  - b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c) the instrument of transfer is in respect of only one class of shares.
21. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

22.

- i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

23.

- i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - a) to be registered himself as holder of the share; or
  - b) to make such transfer of the share as the deceased or insolvent member could have made.
- ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

24.

- i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

25.

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

26.

If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

27.

The notice aforesaid shall—

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
29. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
30. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
31. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;  
(iii) The transferee shall thereupon be registered as the holder of the share; and  
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.
32. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

33. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
34. Subject to the provisions of section 61, the company may, by ordinary resolution, —
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
35. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

36. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### **BORROWING POWERS**

37. The Board of Directors shall have necessary authority and power to borrow money from any banks, institutions, or other body corporate or from individuals for the businesses of the company and to meet capital expenditure and shall have necessary authority to create securities in favor of the lenders, including but not limited to creation of mortgage on the immovable properties of the company either by deposit of title deeds or by any other means, as may be prescribed by such institution(s)/ bank(s) from time to time. The Board of Directors are also authorized to offer as securities any movable or immovable properties owned or processed by the company including creation of equitable or other types of mortgages on the immovable properties owned or possessed by the company or on any lease hold rights for any loan or other facility that may be availed by any other body corporate, association or individuals on such terms and conditions as may be decided by the Board from time to time.

The payment or repayment of monies borrowed may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by a resolution passed at a meeting of the Board by the issue of debenture or debenture stock of the Company charged upon all or any part of the Company including the uncalled capital, if any.

The Board shall maintain a register in accordance with the provisions of section 85 of the Act of all Mortgages debentures and charges specifically affecting the property of the Company.

If the Directors or any other person shall become personally liable for the payment of the sum primarily due from the Company, the Directors may subject to the Provisions of the Act, execute or cause to be executed by mortgage charges or security over or effecting whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

### **CAPITALISATION OF PROFITS**

- 38.
- i) The company in general meeting may, upon the recommendation of the Board, resolve—
    - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
    - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
    - a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    - c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
    - d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;



e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39.

- i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - b) generally do all acts and things required to give effect thereto.
- ii) The Board shall have power—
  - a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii) Any agreement made under such authority shall be effective and binding on such members.

#### **GENERAL MEETINGS**

40. All general meetings other than annual general meeting shall be called extraordinary general meeting,

41.

- i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

42.

- i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

43. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

44. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

45. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETINGS**

46.

- i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

- iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

- 47. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —
  - a) on a show of hands, every member present in person shall have one vote; and
  - b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 48. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 49.
  - i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 50. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 51. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 52. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 53.
  - i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **PROXY**

- 54. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 55. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 56. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:  
  
Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTORS**

- 57. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
  - i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
    - a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
    - b) in connection with the business of the company.
58. The Board may pay all expenses incurred in getting up and registering the company.
59. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
60. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
61. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 62.
- i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
  - ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

- 63.
- i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 64.
- i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
65. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- 66.
- i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
  - ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.
- 67.
- i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
  - ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

- 68.
- i) A committee may elect a Chairperson of its meetings.
  - ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 69.
- i) A committee may meet and adjourn as it thinks fit.
  - ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
70. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
71. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

### **DIRECTORS**

72. The numbers of Directors shall be not less than THREE and not more than FIFTEEN.
- 73.
- a. The Board may appoint one or more of their members to be the Managing Director, whole time Director/s of the Company on such remuneration and upon such conditions as they think fit.
  - b. **Nominee Director**  
Subject to the provisions of the Act, if and when the Company borrows money from the Government, or from Financial Institutions, Banks or from others, either by issue of debentures or otherwise, the lender shall have the right, if the Company so contracts with them, to appoint and from time to time remove and reappoint directors in accordance with the provision of the agreement to be entered into with them. The Director so appointed shall be referred to as the "Nominee Director."
  - c. **Additional Director**  
Subject to section 161 of the Act, the Board of Directors, of the Company shall have power at any time and from time to time to appoint any other person as an additional Director.
  - d. **Alternate Director**  
Subject to section 161 of the Act, the Board of directors, of the Company may appoint Alternate Director, to act for a Director, during his absence for a period of not less than three months from India.

### **FIRST DIRECTORS:**

74.

The first directors are:

1. **GANGADHARAN JYOTHI**
2. **MANI SAJUMOHAN**
3. **POOJA MOHAN**
4. **RESHMA MOHAN**

### **MANAGING DIRECTOR/ WHOLE TIME DIRECTOR:**

75. The Board of Directors may from among them appoint a person or persons to be the Managing Director or Whole Time Director and shall delegate such powers and responsibilities to him/them as may be decided by the Board from time to time. Subject to the provisions to the Act, the Managing Director may be paid such remuneration and perquisites including a percentage of commission on net profits, as may be decided by the Board from time to time.

#### **SITTING FEES TO DIRECTORS**

76. Each director shall be entitled to be paid out of the funds of the Company by way of sitting fee not exceeding the fee as may be prescribed under the Act or such lesser sum as may be decided by the Board for every meeting of the Board of Directors attended by him, such remuneration to be independent of any remuneration which any Director whether as Chairman or as member of any executive committee or Local Board otherwise may receive.

#### **TRAVELLING ALLOWANCE TO DIRECTORS**

77. The directors may be paid or reimbursed any travelling expenses incurred by them in connection with the business or affairs of the Company as may be considered reasonable and fair by the board. The allowance may be in addition to the fee for attending such meeting referred in the preceding article.
78. If any Director be appointed to advise the Company as an expert or be called upon to perform extra services for the Company.
79. Company may pay to such Director such remuneration either by a fixed sum or by a percentage of profits and such remuneration may be either in addition to or in substitution of the fees and allowances mentioned in Article 57 and 58 above.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

80. Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary, or chief financial officer.
81. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

- 82.
- (i) The Board shall provide for the safe custody of the seal.
  - (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
84. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 85.
- (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which

the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

86.

- (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

87. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

88.

- (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

89. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

90. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

91. No dividend shall bear interest against the company.

### **ACCOUNTS**

92.

- (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **WINDING UP**

93. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**

- 94. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

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## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our 10/1051, Ayyappanpara, Thevarmani chathamangalam PO, Nemmara, Chathamangalam, Palakkad, Chittur, Kerala India, 678508, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material contracts for the Issue

1. Issue Agreement dated September 18, 2024, between our Company and the Lead Manager.
2. Registrar Agreement dated August 8, 2024 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [ ● ] amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [ ● ] amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [ ● ] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

#### B. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated August 8, 2024 in relation to the Issue and other related matters.
3. Shareholders' resolution dated August 22, 2024, in relation to the Issue and other related matters.
4. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Peer Reviewed Auditor, Chartered Engineer, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriter to the Issue, Bankers to our Company and Market Maker to include their names in this Draft Prospectus and to act in their respective capacities.
5. Resolution dated November 23, 2024 passed by the Audit Committee approving the KPIs for disclosure in this Draft Prospectus.
6. Certificate on KPI's issued by M/s SGS & Company, Chartered Accountant dated November 23, 2024.
7. Peer Review Auditors Report dated November 18, 2024, on Restated Financial Statements of our Company for the three months period ended June 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022;
8. Report issued by the Statutory Auditors on the Statement of possible Tax Benefits dated November 23, 2024 included in Draft Prospectus.
9. Copies of the annual report of our Company for the financial year ended as on March 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021;
10. Tripartite Agreement dated July 18, 2024 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue;
11. Tripartite Agreement dated April 8, 2024 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
12. Board Resolution dated November 23, 2024 & [ ● ] for approval of this Draft Prospectus and Prospectus respectively;
13. Copy of approval from BSE vide letter dated [ ● ] to use the name of BSE Limited in the Draft Prospectus/ the Prospectus for listing of Equity Shares on SME Platform of BSE Limited.



14. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
<b>Mani Sajumohan</b> DIN: 09028262	Chairman and Managing Director	Sd/-
<b>Gangadharan Jyothi</b> DIN: 09021765	Whole-Time Director	Sd/-
<b>Biju Uthuppu</b> DIN: 02558882	Non-Executive Director	Sd/-
<b>Alok Thomas Paul</b> DIN: 07434060	Non-Executive Independent Director	Sd/-
<b>Rajit Rajan</b> DIN: 10540141	Non-Executive Independent Director	Sd/-
<b>Koppath Babu Sajith</b> DIN: 10512520	Non-Executive Independent Director	Sd/-
<b>T. Vinaya Kumar</b> DIN: 00044594	Non-Executive Independent Director	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Sreejith V</b> PAN: AUKPV3108N	Sd/-
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**Date:** November 23, 2024

**Place:** Palakkad