

(This is a Corrigendum to letter of offer for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe to securities.)



LWS KNITWEAR LIMITED

Our Company was originally incorporated as "LWS Knitwear Private Limited" at Punjab on May 09, 1989 as a Private Limited Company, under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our Company was converted from a private limited company to a public limited company on April 1, 1991 and consequently, the name of our Company was changed to "LWS Knitwear Limited", please refer to "**General Information**" beginning on page 34 of this Letter of Offer.

Registered Office: G T Road (West), Ludhiana - 141008, Punjab, India

Contact person: Laxmi Khatri

Telephone: 98778 15974 | **E-mail id:** info@lwsknitwear.com | **Website:** www.lwsknitwear.com

Corporate Identity Number: L55101PB1989PLC009315

PROMOTERS OF OUR COMPANY: GIRISH KAPOOR AND KUSUM KAPOOR CORRIGENDUM TO THE LETTER OF OFFER DATED NOVEMBER 30, 2024 (THE "LETTER OF OFFER"/ "LOF") NOTICE TO INVESTORS (THE "CORRIGENDUM")		
ISSUE OF UP TO 96,10,960 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 18 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 8 PER EQUITY SHARE) AGREEGATING UPTO ₹ 1729.97 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 19 EQUITY SHARE FOR EVERY 10 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS THURSDAY, NOVEMBER 28, 2024 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 139 OF THIS LETTER OF OFFER. # Assuming full subscription.		
GENERAL RISKS		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to " Risk Factors " beginning on page 18 of this Letter of Offer before making an investment in this Issue.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer 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 Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.		
LISTING		
The existing Equity Shares are listed on BSE Limited ("BSE") (the " Stock Exchange "). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated October 09, 2024. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.		
REGISTRAR TO THE ISSUE		
 Beetal Financial & Computer Services Private Limited Beetal House, 3 Floor, 99 Madangir Behind Local Shopping Center, Near Data Harsukhdas Mandir, New Delhi, Delhi - 110062, India. Tel. No.: 011 - 29961281 / 29961282 Fax: 011 - 29961284 Email: beetal@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Punit Kumar Mittal SEBI Registration No.: INR000000262		
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
THURSDAY, DECEMBER 12, 2024	THURSDAY, DECEMBER 19, 2024	TUESDAY, DECEMBER 24, 2024

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.



LWS KNITWEAR LIMITED


Our Company was originally incorporated as "LWS Knitwear Private Limited" at Punjab on May 09, 1989 as a Private Limited Company, under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our Company was converted from a private limited company to a public limited company on April 1, 1991 and consequently, the name of our Company was changed to "LWS Knitwear Limited", please refer to "General Information" beginning on page 34 of this Letter of Offer.

Registered Office: G T Road (West), Ludhiana - 141008, Punjab, India

Contact person: Laxmi Khatri

Telephone: 98778 15974 | **E-mail id:** info@lwsknitwear.com | **Website:** www.lwsknitwear.com

Corporate Identity Number: L55101PB1989PLC009315

PROMOTERS OF OUR COMPANY: GIRISH KAPOOR AND KUSUM KAPOOR		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF LWS KNITWEAR LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY		
NEITHER OUR COMPANY NOR OUR PROMOTERS HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY		
ISSUE OF UP TO 96,10,960 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 18 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 8 PER EQUITY SHARE) AGREGATING UPTO ₹ 1729.97 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 19 EQUITY SHARE FOR EVERY 10 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS THURSDAY, NOVEMBER 28, 2024 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 139 OF THIS LETTER OF OFFER.		
# Assuming full subscription.		
GENERAL RISKS		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 18 of this Letter of Offer before making an investment in this Issue.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer 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 Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.		
LISTING		
The existing Equity Shares are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated October 09, 2024. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.		
REGISTRAR TO THE ISSUE		
 Beetal Financial & Computer Services Private Limited Beetal House, 3 Floor, 99 Madangir Behind Local Shopping Center, Near Data Harsukhdas Mandir, New Delhi, Delhi - 110062, India. Tel. No.: 011 - 29961281 / 29961282 Fax: 011 - 29961284 Email: beetal@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Punit Kumar Mittal SEBI Registration No.: INR000000262		
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
FRIDAY, DECEMBER 06, 2024	TUESDAY, DECEMBER 10, 2024	MONDAY, DECEMBER 16, 2024

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, Act, regulation, rules, guidelines or policies shall be to such legislation, Act, regulation, 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 Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “**Summary of Letter of Offer**”, “**Statement of Special Tax Benefits**”, “**Restated Financial Statements**”, “**Legal and Other Information**” and “**Terms of the Issue**” beginning on pages 15, 46, 79, 130 and 139, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.*

CONVENTIONAL / GENERAL TERMS

TERM	DESCRIPTION
“LWS Knitwear Limited” / “LWSKNIT” / “We” / “us” / “our Company” / “the Issuer”	Unless the context otherwise indicates or implies refers to LWS Knitwear Limited, public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at G T Road (West), Ludhiana - 141008, Punjab, India.
“we” / “us” / “our”	Unless the context otherwise indicates or implies, refers to our Company

COMPANY RELATED TERMS

TERM	DESCRIPTION
“Act” / “Companies Act”	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable
“AOA” / “Articles” / “Articles of Association”	The Articles of Association of L W S Knitwear Limited, as amended from time to time.
“Audit Committee”	The committee of the board of directors constituted as our Company’s audit committee in accordance with the applicable laws. For details, please see the Chapter titled “ Our Management ” on page 69 of this Letter of Offer.
“Auditors” / “Statutory Auditors”	The current statutory auditors of our Company, namely, M/s. Parmod G. Gupta & Associates, Chartered Accountants.
“Board” / “Board of Directors” / “Our Board”	The board of directors of our Company, and any duly constituted Committees thereof.
“Chief Financial Officer” / “CFO”	The Chief Financial Officer of our Company, being Arjun Kapoor.
“Company Secretary and Compliance Officer”	The Company Secretary and Compliance Officer of our Company, being Laxmi Khatri.
“Corporate Social Responsibility Committee” / “CSR Committee”	The committee of the board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013.
“Director(s)”	Director(s) on our board, as may be appointed from time to time.
“Equity Shares”/ “Shares”	Equity shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.
“Equity Shareholders” / “Shareholders”	Persons / entities holding equity shares of our Company.
“Executive Directors”	Executive directors of our Company.
“Independent Director”	Independent directors on our board and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI listing regulations. For details of the independent directors, please see the Chapter titled “ Our Management ” on page 69 of this Letter of Offer.
“ISIN”	International securities identification number being INE281M01013.

TERM	DESCRIPTION
“Key Management Personnel” / “KMP”	Key management 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 the Chapter titled “ Our Management ” on page 69 of this Letter of Offer.
Limited Review/ Un-Audited Financial Results	Limited Reviewed Financial Results for the three months period ended June 30, 2024
“Materiality Policy”	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
“Managing Director”	The Managing Director of our Company, being Girish Kapoor.
“MoA” / “Memorandum” / “Memorandum of Association”	The Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	The reconstituted nomination and remuneration committee of our Company in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, please see the Chapter titled “ Our Management ” on page 69 of this Letter of Offer.
“Non-Executive Independent Director”	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see “ Our Management - Board of Directors ” beginning on page 69 of this Letter of Offer
“Non-Executive Non-Independent Directors”	The non-executive non-independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see “ Our Management -Board of Directors ” beginning on page 69 of this Letter of Offer
“Promoters”	The promoters of our Company being Girish Kapoor and Kusum Kapoor
“Promoter Group”	The persons and entities forming part of the promoter group of the Company in terms of regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by the Company to the stock exchange from time to time.
“Registered Office”	The registered office of our Company situated at G T Road (West), Ludhiana - 141008, Punjab, India.
“Restated Financial Statements”/ “Financial Information”/ “Financial Statement”	The restated financial statement of our Company for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively, which comprises of the statement of assets and liabilities, the statement of profit and loss, the statement of cash flow statement, including a summary of significant accounting policies and other explanatory information. For details, please see the Chapter titled “ Restated Financial Statements ” on page 79 of this Letter of Offer.
“Roc” / “Registrar of Companies”	Registrar of Companies, Punjab and Chandigarh, 1st Floor, Corporate Bhawan, Plot No. 4-B, Sector 27-B, Chandigarh - 160019, Punjab, India.
Senior Management Personnel	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, described in “ Our Management ” on page 133
“Shareholders”	Holders of the equity shares from time to time
“Stakeholders Relationship Committee”	The committee of the board of directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with the applicable law. For details, please see the Chapter titled “ Our Management ” page 69 of this Letter of Offer.

ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer or ALOF	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted / Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be

TERM	DESCRIPTION
	transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount /ASBA	The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Bankers to the Issue / Escrow Collection Bank	Axis Bank Limited
Banker to the Issue Agreement	Agreement to be entered amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Equity Shares in the Issue and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ Terms of the Issue ” beginning on page 139 of this Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches / Controlling Branches	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Stock	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Draft Letter of Offer /	The Draft Letter of Offer dated February 01, 2024
ECS	Electronic Clearing Service

Equity Shareholder(s)/	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. Thursday, November 28, 2024.
Escrow Account(s)	One no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.
Escrow Collection Bank, Allotment Account Bank(s) or	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Axis Bank Limited
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. Thursday, November 28, 2024 and the Renouncee(s).
ISIN	International securities identification number i.e., INE281M01013
Issue / the Issue / this Issue / Rights Issue	Issue of upto 96,10,960 Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. 18 per Equity Share aggregating up to Rs. 1,729.97 Lakhs on a rights basis to Eligible Shareholders in the ratio of 19 Rights Equity Shares for every 10 fully paid-up Equity Share held on the Record Date i.e. Thursday, November 28, 2024 .
Issue Closing Date	Friday, December 06, 2024
Issue Opening Date	Monday, December 16, 2024
Issue Price	Rs. 18 per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto 96,10,960 Rights Equity Shares for an amount aggregating up to Rs. 1,729.97 Lakhs
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled " <i>Objects of the Issue</i> " beginning on page 41 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non-Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws on or before Tuesday, December 10, 2024
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.

Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. Thursday, November 28, 2024
Registered Foreign Portfolio Investors / Foreign Portfolio	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	Beetal Financial and Computer Services Private Limited
Registrar Agreement	Agreement dated February 01, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Tuesday, December 10, 2024 in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.
Rights Equity Shares / Rights Shares	The Equity Shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Rights Entitlement	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
SEBI ICDR Master Circular	SEBI Master circular bearing reference number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, along with the any subsequent circulars or notifications issued by SEBI in this regard.
Share Certificate	The certificate in respect of the Rights Equity Shares allotted to a folio in a physical form.
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

BUSINESS/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
CAGR	Compound Annual Growth Rate
ATUFS	Amended Technology Upgradation Fund Scheme
CPI	Consumer Price Index
CoEK	Center of Excellence for Khadi
CII	Confederation of Indian Industries
GDP	Gross Domestic Product
HEPC	Handloom Export Promotion Council

TERM	DESCRIPTION
HMA	Handloom Marketing Assistance
KVIC	Khadi and Village Industries Commission
MHHDCL	Manipur Handloom & Handicrafts Development Corporation Limited
MMF	Man-made fibre
MITRA	Mega Integrated Textile Region and Apparel Park scheme
NIFT	National Institute of Fashion Technology
NIFTY	National Stock Exchange Sensitive Index
NTTM	National Technical Textiles Mission
NHDP	National Handloom Development Programme
PLI	Production-linked incentive
SENSEX	Bombay Stock Exchange Sensitive Index
SusTex	Sustainable Textiles for Sustainable Development
SITP	Scheme for Integrated Textile Parks
SIPCOT	State Industries Promotion Corporation of Tamil Nadu Ltd
TUFS	Technology Upgradation Fund Scheme

ABBREVIATIONS

TERM	DESCRIPTION
₹, Rs., Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant

TERM	DESCRIPTION
	to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Rights Issue Circulars	SEBI circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
Stock Exchange	BSE

TERM	DESCRIPTION
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified Institutional Buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTOR

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “*Terms of the Issue*” and on the website of the Registrar to the Issue at www.beetalfinancial.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchange, subject to the applicable law.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer or the Application Form. Envelopes containing an Application Form and Rights Entitlement Letter should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE

EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Letter of Offer 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 this Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Letter of Offer (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:

- Changes to regulations which govern the industry in which we operate;
- Deterioration in the quality, delay, interruption, or shortage in the supply of finished goods from our third-party suppliers and manufacturers;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under “**Risk Factors**” and “**Our Business**” beginning on pages 18 and 66 respectively of this Letter of Offer.

By their nature, market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company, undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

In this Letter of Offer, unless the context otherwise indicates or implies, references to ‘Company’, the ‘Company’, ‘our Company’, the ‘Issuer’ ‘we’, ‘our’ or ‘us’ are to LWS Knitwear Limited.

All references herein to “India” are to the Republic of India and its territories and possessions and the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in Letter of Offer to the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in “crore”, “million” and “lakh” units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 lakhs.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

FINANCIAL DATA

Unless stated otherwise and unless context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year. For details, see “*Restated Financial Statements*” on page 79 of this Letter of Offer.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Limited Review Report for the three months period ended June 30, 2024 and the Restated Financial Results for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 are prepared in accordance with Ind AS, and as per Schedule III as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Letter of Offer (Revised), 2019, issued by the ICAI.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Restated Financial Statement*” on page 79 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

MARKET AND INDUSTRY DATA

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Letter of Offer is reliable, it

has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Letter of Offer 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those in “**Risk Factors**” on page 18 of this Letter of Offer. Accordingly, Investors should not place undue reliance on this information.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- ‘INR’, ‘₹’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. Dollars’ are to the legal currency of the United States of America.

Our Company has presented certain numerical information in this Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Conditions and Results of Operation**” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Exchange Rates

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

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

Currency	Exchange rate as on			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 US \$	83.45	83.37	82.22	75.81

Source: www.fbil.org.in

Note: In the event that any of the above-mentioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the 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 Letter of Offer, including the chapters, “*Objects of the Issue*”, “*Outstanding Litigation and Material Developments*”, “*Our Business*” and “*Risk Factors*” on pages 41, 130, 66 and 18 respectively, of this Letter of Offer.

SUMMARY OF INDUSTRY

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector.

For more details, please see the chapter titled “*Industry Overview*” beginning on page 53 of this Letter of Offer.

SUMMARY OF BUSINESS

Our Company was originally engaged in the manufacturing of winter and summer wear knitted apparels. Our manufacturing facility was situated at Ludhiana, Punjab. Presently, our Company is engaged in trading of knitted fabrics and cater our customers’ needs of knitted clothes by offering them knitted fabric of various designs, textures as per latest fashion trends. We source our products through third-party manufacturers and traders. Further, we also sell knitted garments.

For more details, please see the chapter titled “*Our Business*” beginning on page 66 of this Letter of Offer.

OUR PROMOTERS

The Promoters of our Company are Girish Kapoor and Kusum Kapoor. For further details, please see the chapter titled “*Our Promoters*” beginning on page 75 of this Letter of Offer.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS AND PROMOTER GROUP:

Our Promoters and Promoter Group, by way of their letters dated January 29, 2024 and January 30, 2024, have undertaken to (i) subscribe, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group); (ii) also subscribe to Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favour by any other member(s) of the Promoter and Promoter group; and (iii) their intention to apply for and subscribe to additional Rights Equity Shares and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

The details of the Net Proceeds are summarized in the table below:

(in ₹ Lakhs)

Particulars	Amount
Gross Proceeds from the Issue [#]	Upto 1,729.97
Less: Issue related expenses	150.00
Net Proceeds of the Issue	1,579.97

[#]assuming full subscription and allotment

*The issue size shall aggregate up to ₹1729.97 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price, the same will be adjusted against General Corporate Purpose.

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

Sr. No.	Objects – Description	Amount (₹ in Lakhs)*
1.	Part repayment or prepayment of unsecured loans availed from the Promoters	971.48***

	and from the member of the Promoter Group	
2.	To meet working capital requirement	200.00
3.	General corporate purposes*	408.49
TOTAL		Upto 1,579.97**

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

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

***As on November 29, 2024, the outstanding balance of loan amounts to ₹1100.98 Lakhs, based on the certificate dated November 30, 2024

For further details, please see the chapter titled “**Objects of the Issue**” beginning on page 41 of this Letter of Offer.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

Following are the details derived from the Limited Review financial results for the three months period ended June 30, 2024 and the Restated Financial Statement for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lakhs except Earnings per share and Net Asset Value)

Particulars	For the three months period ended June 30, 2024	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
Equity Share Capital	505.84	505.84	505.84	505.84
Net worth (Total Shareholders' Fund) ⁽¹⁾	1,235.80	1,203.47	1,078.63	1,049.44
Revenue from Operations	1738.39	7,513.45	6,261.52	6,175.63
Profit after Tax	32.33	139.95	29.37	26.05
Earnings per share				
Basic/Diluted (in ₹)	0.64	2.77	0.58	0.51
Net Asset Value per Equity Share (in ₹) ⁽²⁾	24.43	23.79	21.32	20.75
Total borrowings ⁽³⁾	2,073.17	1,947.88	1,596.98	499.70

Notes: (1) Net worth is calculated as the sum of share capital and other equity less miscellaneous expenditure to the extent not written off.

(2) Net asset value per Equity Share is the equity attributable to equity holders of the parent divided by weighted average numbers of Equity Shares outstanding during the year

(3) Including current and non-current borrowings

For further details, please see the chapter titled “**Restated Financial Statement**” on page 79 of this Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS

A summary of material outstanding legal proceedings involving our Company, its Directors and Promoters, as identified in accordance with the SEBI ICDR Regulations as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Nature of Cases	No. of outstanding cases	Amount Involved (₹ in Lakhs) ^
Litigation involving our Company		
Criminal proceedings	Nil	Nil
Material civil litigation	2	Not ascertainable
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	9	2.98
Litigation involving our Directors		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Promoters		
Criminal proceedings	Nil	Nil
Material civil litigation	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil

Nature of Cases	No. of outstanding cases	Amount Involved (₹ in Lakhs) ^
Direct and indirect tax proceedings	Nil	Nil

^ To the extent quantifiable

For further details, please see the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 130 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors please refer to chapter “*Risk Factors*” on page 18 of this Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

CONTINGENT LIABILITIES OF OUR COMPANY

For details of the contingent liabilities, as reported in the Restated Financial Statements, please see the chapter titled “*Restated Financial Statement*” on page 79 of this Letter of Offer.

RELATED PARTY TRANSACTIONS

For the details of the Related Party Transactions entered by our Company, please see “*Restated Financial Statement*” on page 79 of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

SPLIT OR CONSOLIDATION OF EQUITY SHARES

There has been no split or consolidation of Equity Shares in the last one year preceding the date of this Letter of Offer.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Letter of Offer.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statements” beginning on pages 66, 53, 124 and 79, respectively of this Letter of Offer before making an investment in the Rights Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, prospective investors must rely on their own examination of the Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences to you of an investment in the Rights Equity Shares.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. The following factors have been considered for determining the materiality:

- (i) Some events may not be material individually, but may be found material collectively,*
- (ii) Some events may have material impact qualitatively instead of quantitatively; and*
- (iii) Some events may not be material at present but may have material impact in the future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” refers to our Company. For updates in relation to financial and operational performance as of and for the three months period ended June 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, see “Management’s Discussion and Analysis Condition and Results of Operation ” beginning on page 124 of this Letter of Offer.

INTERNAL RISK FACTORS:

- 1. *Our results of operations may be materially adversely affected by our failure to anticipate and respond to changes in fashion trends and consumer preferences in a timely manner***

We are primarily engaged in trading of knitted fabric of various textures for men, women and children. Our results of operations depend upon the continued demand by consumers for our products. We believe that our success depends in large part upon our ability to anticipate, gauge and respond in a timely manner to changing fashion, trends, consumer demands and preferences and upon the appeal of our products. If we are unable to anticipate consumer preferences or industry changes, we may lose customers or become subject to greater pricing pressure. Our business is sensitive to changing consumer preferences, including changes in consumer acceptance of our products, all of which may be caused by many factors that are generally beyond our control. Some or all of our products may become less attractive in light of changing consumer preferences and we may be unable to adapt to such changes in a timely manner. Any change in consumer preferences that decreases demand could adversely affect our business, financial condition, results of operations and prospects.

- 2. *We have not entered into any long-term supply agreements with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the supply of trading material or due to non-availability of trading material.***

We do not have written agreements with our vendors/suppliers and we source our product i.e. knitted fabric from the third-party manufacturers and traders on the basis of orders received by us from our customers. In absence of any such formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all or delayed supplies or price variation which would materially affect our results of operations. In the event of any disruption in the supply or the non-availability of material in the required quantity and of

required quality from alternate source, the supply schedule to our clients may be adversely be affected impacting the sales and profitability of the Company

3. ***We depend on a limited number of customers for significant portion of our revenues. The loss of one or more of our significant customers or significant reduction in sales of, or demand for our products from our significant customers may adversely affect our business, financial condition, result of operations and cash flows.***

A significant proportion of our revenues have historically been derived from a limited number of customers. The Revenue from top ten customers in the FY 2023-24, FY 2022-23 and FY 2021-22 were 85.36%, 89.95% and 91.77%, respectively of the total turnover. Further, revenue from top ten customers for the three months period ended June 30, 2024 was 93.18% of the total turnover. For details in relation to our customers, see the section “***Our Business***” on page 66. Our customers are predominantly from the domestic market and our business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in the region. As a result, loss of one or more of our significant customers may result in a loss or non-renewal of orders from that customer and consequently affect our business, financial condition, result of operations and cash flows.

4. ***Presently, our Company is not engaged in manufacturing of garments.***

Initially, we were engaged in manufacturing of knitted garments. However as on date, we have entered into an asset light model and are engaged in trading of knitted fabric to our customers on basis of purchase orders received by us. We intend to set up a manufacturing facility for manufacturing of knitted garments. Though, we are regularly supplying knitted fabric to our clients, our business operations, revenue, profits, etc. may be on lower side as compared to manufacturing activities in which we had better margin than trading activity.

5. ***We do not own registered office from which we operate***

Our Registered Office is located at G T Road (West), Ludhiana - 141008, Punjab, India. The registered office is not owned by us. Our Company has taken premises on rental basis and has entered into rent agreement with the owner of the property i.e. M/s. Shree Ganesh Developers. There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the registered office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

6. ***Any delays and/or defaults in payments from our customer could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operation and financial condition.***

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on their creditworthiness. Such delays in payments may require us to make a working capital investment. However, in ordinary course of business, there have been no such instances of delay in payment from customers nor do we have made any provisions for doubtful debts which had adverse effect on the working capital investment and/or profits of our Company in the preceding three Fiscals.

We cannot assure you that such payments from our customers will be received in a timely manner or to that extent will be received at all. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our trade receivables were ₹2293.47 lakhs, ₹3195.29 lakhs and ₹1233.49 lakhs, respectively, resulting in receivable days of approximately 111 days, 186 days and 73 days, respectively. There is no guarantee on the timeliness of all or any part of our distributors and franchisees payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

7. ***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, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely. The Company has applied for the registration under Shop and Establishment Act and is awaiting the approval from the said authorities. However, such non-compliance with respect to Shop and Establishment Act may subject the Company to penalties, if any, levied by the authority.

8. ***We do business with our customers on purchase order basis and do not have any long-term contracts with most of them.***

Though we are regularly supplying knitted fabric to our customers, our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long any term contracts with our customers and there can be no assurance that we will continue to receive repeated orders from all or any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our existing clients, there can be no assurance that they will be on the same terms and conditions, and the new terms may be less favourable to us than those under the present terms which may adversely affect our business operations and results.

9. ***We are dependent on third party transportation providers for delivery of our goods and materials to us from our suppliers and delivery of knitted fabric to our clients. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

We purchase knitted fabric and knitted garments from the local market and sale them to our wide customer base, our success depends on the smooth supply and transportation of knitted fabric, garments etc. from our suppliers to us and supply of knitted fabric and garments to our buyers/clients, both of which are subject to various uncertainties and risks. In addition, the garments and/or cloths may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of such materials which may also affect our business and our results of operation negatively. Any failure to maintain a continuous supply of trading materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations and reputation.

10. ***We may be unable to expand our product offerings and serve new markets as per our strategy and the same may have an adverse effect on our business, results of operations and financial condition.***

As a part of our business strategy, we intend to enter into manufacturing activity and serve new market through modern trade channels such as e-commerce and online space and also enhance the catalogue of our product offerings from time to time as per customer demand and market trends. To achieve and give effect to our proposed strategy, we would require adequate amount of planning and execution. The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

11. ***Our business depends, in part, on factors affecting end consumer spending that are out of our control.***

Purchase of fashionable cloths are dependent on end consumers' discretionary spending power and disposable income. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, levels of employment, inflation or deflation, real disposable income, interest rates, taxation, currency exchange rates, stock market performance, the availability of consumer credit, levels of consumer debt, consumer confidence, consumer perception of economic conditions and consumer willingness to spend, all of which are beyond our control. An economic downturn or an otherwise uncertain economic outlook in our principal markets, in any other markets in which we may operate in the future, or on a global scale could adversely affect our consumer spending habits and traffic, which could have a material adverse effect on our business, results of operations and financial condition.

12. ***Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. We are in the business of trading knitted fabric, where changes in fashion is continuous process. We have to effectively manage our inventory considering, accurately estimate customer demand and supply requirement accordingly. If our management has misjudged expected customer demand, it could adversely impact the results by causing either a shortage of supply or an accumulation of excess inventory. The excess inventory will need storage space and block our liquidity resulting in to loss.

13. ***Our business is seasonal in nature with significant sales during the festive season and other significant seasons. In case, we are unable to cope up with the demand during this time, then our revenues and profitability will be affected and have a negative effect on our image.***

Our business is seasonal in nature with a significant proportion of our sales generated during the festive seasons like Diwali, Holi, New Year, etc. and during marriage seasons. If our Company is unable to cope up with the

demand and requirement of the customers during the festive and marriage seasons, our profitability will be adversely affected on account of reduction of sales. Further we may not be able to recover the shortfalls of sales of such periods. We expect to continue to experience a seasonal fluctuation in our sales and income. We have limited ability to compensate for shortfalls in our sales or income during such periods by introducing changes in operations and strategies for rest of the year, or to recover from any extensive disruption, such as lower disposable income, etc. A significant shortfall in sales during these periods would therefore be expected to have a material adverse effect on our results of operations.

14. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees.

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these types of activities may not always be effective. Any delinquencies or trading errors on the part of our employees and business associates could materially affect our business operations, financial position and/or reputation.

15. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.

We do not own our corporate logo and trademark as it is not registered in the name of the Company and is in the name of Girish Kapoor, Promoter of our Company. Our Company has not entered into any agreement with our Promoter for the use of the said trademark. We cannot guarantee that such trademarks will be registered in our name and that our Promoter will permit us to use the said trade mark for perpetuity. Further, our unregistered intellectual property rights or claims thereto, will now or in the future will be successfully protected or that our rights will not be opposed or otherwise challenged. While we endeavour to ensure that we protect our intellectual property rights, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties. Refusal by our Promoter to permit us from using the trade mark or any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management away from our business. The occurrence of any of the foregoing could result in unexpected time and expenses.

16. Our Promoters may have interest in entities, which are engaged in lines of business similar to that of our Company. Any conflict of interest which may occur between our business and the activities undertaken by such entities could adversely affect our business and prospects.

Our Promoter Girish Kapoor is interested as a shareholder and director in LWS Exports Limited and Gee Kay Knitwear Private Limited, and as a partner in M/s. ABC Inc which are engaged in lines of business similar to that of our Company and thus, may potentially compete with us. Interests of such persons may conflict with the interests of our Company and they may, for business considerations or otherwise, cause us to take actions, or refrain from taking actions, in order to benefit him, which may conflict with the best interest of our Company or that of our other Shareholders, which in turn may materially adversely impact our business, financial condition, results of operations and cash flows

17. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

Our Company had negative cash flows from our operating activities, in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash Generated from Operating Activities	(280.60)	(953.31)	(802.44)
Net Cash Generated from Investing Activities	(2.73)	2.87	369.25

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

18. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties, including with our Promoter, directors and other related parties and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our Company believes that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as required under the Companies Act, 2013 and the Listing Regulations.

19. *Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support*

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team, which includes our Promoters, supported by the skills, efforts, expertise, continued performance and motivation of our Key Management Personnel, and other personnel. If any of our Promoters, Key Management Personnel cease to be associated with our Company and we fail to recruit suitable replacements in a timely manner, our ability to manage our growth and our business, results of operations and prospects may be adversely affected.

20. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.*

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, see "*Objects of the Issue*" on page 41. Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and therefore 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, we may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all. As regards utilisation of Net Proceeds for repayment of loans or prepayment of loan will be based on various factors, including the factors specified in the section "*Objects of the Issue*" on page 41.

21. *Our Promoters, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred or remuneration.*

Our Promoters and Directors and Key Managerial Personnel may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves and their related parties. For further details, please refer "*Related Party Transactions*" on page 79 of this Letter of Offer.

22. *Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.*

We operate in a working capital intense industry therefore our business demands substantial funds to meet the working capital requirements. Generally, we meet our working capital requirement through secured and unsecured loans from financial institutions and related parties. Further, 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.

Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, etc. Our attempts to consummate future financings may not be successful or be on terms favourable to us. In addition, our ability to raise funds, either through equity or debt, may be limited by certain restrictions imposed under Indian law or judicial order.

23. *A portion of Issue proceeds will be utilized by our Company for repayment of unsecured loans availed by it from our Promoter.*

One of the Objects of this Issue is to repay the unsecured loans amounting to ₹971.48 lakhs availed by our

Company from our Promoter and Promoter Group. As on November 29, 2024, we have outstanding unsecured loans aggregating to ₹ 1100.98 lakhs from our Promoter and Promoter Group. Out of the Issue proceeds, we intend to utilize upto ₹971.48 lakhs for repayment of unsecured loans availed by our Company from our Promoter. The said unsecured loan was obtained by our Company to meet its fund requirement for day-to-day operations. Further, our Promoter have vide their subscription letters dated January 29, 2024 and January 30, 2024, have confirmed that the application money due from them in lieu of their Rights Entitlements, can be adjusted towards the amount proposed to be repaid or pre-paid pursuant to this Issue. Accordingly, the utilization of Net Proceeds for repayment or pre-payment of unsecured loans would not result in an actual cash flow from our Company to our Promoter and will also not result in the creation of any tangible assets for our Company. For further details, please see the chapter titled “*Objects of the Issue*” beginning on page 41.

24. *Our Company is subject to certain obligations and reporting requirements as may be required under applicable regulations framed by SEBI and may be subject to monetary penalty on account of delayed compliance.*

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ non filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

25. *We face significant competition. Any failure to compete effectively may have a material adverse effect on our business and operations.*

In India, textile industry is highly divided between organised sector and unorganized sector. If we fail to create a position or our existing position deteriorates, the operating results or financial condition will get adversely affected. Aggressive discounting and marketing by competitors may also adversely impact our performance for a temporary period. We may in future experience increase competition from existing or new players in the industry. Due to increase in competition, we may temporarily experience downward pressure on prices, lower demand for our products, reduced margins and a loss of market share, all of which would have an adverse impact on our business and results of operations.

26. *Our Company has borrowed certain unsecured loans that may be payable on demand*

As of March 31, 2024, our Company had unsecured borrowings of ₹969.58 lakhs. For information on our unsecured loans, see the section “*Restated Financial Information*” on page 79. Unsecured loans aggregating to ₹1100.98 lakhs as on November 29, 2024, that we have borrowed from our Promoters and Promoter Group are repayable by our Company as and when demanded. It may be difficult for us to manage our cash flow and ensure that sufficient funds are available at all times to repay our unsecured loans. In the event of any default on the repayment of unsecured loan, the unsecured lender could initiate legal proceedings against us to recover the amount due to such unsecured lender together with interest and penalty. Any such legal proceedings will have a material adverse effect on our reputation, creditworthiness and financial condition.

27. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.*

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

28. *Our Promoters will continue to retain significant shareholding in our Company after the issue, which will enable them to exercise significant control over us.*

After the completion of the Issue, our Promoters and Promoter Group will continue to collectively own a substantial portion of our issued Equity Shares. Pursuant to subscription of Equity Shares in the Issue, in case public shareholders do not subscribe fully, the collective holding of our Promoters and Promoter Group may increase above their current holdings. Our Promoters and Promoter Group will therefore continue to have the ability to exercise a controlling influence over our business which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters as our controlling shareholders may conflict with your interests and the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

29. ***We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “***Industry Overview***” of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

30. ***Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

We generally endeavor to obtain insurance to the extent it customary with the business. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

31. ***Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.***

Our Company has not declared dividends for last three financial year and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future, 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.

32. ***Sale of shares by our promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

The sale of shares by the Promoters or other significant shareholder(s) may significantly affect the trading price of our Equity shares. Further the market price generally may be adversely affected on account of the news about the sale of shares by the Promoters.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds in terms of Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange.

34. ***We may be unable to enforce our rights under some of our agreements on account of inadequate stamping and not registering the agreements or other reasons.***

We have entered into certain agreements with third parties, in relation to our business, leasing of immovable properties among others. The terms, tenure and the nature of the agreements vary, depending on, amongst other things, the subject matter of the agreement and the third parties involved. Although, we endeavor to duly execute

our documents, some of the documents executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Such inadequately stamped or unregistered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreement in timely manner or at all.

RISKS IN RELATION TO EQUITY SHARES

35. ***Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

36. ***SEBI has recently, by way of circulars dated May 19, 2022, January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 1, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated May 19, 2022, January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "**Terms of the Issue**" beginning on page 139 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

37. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

38. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer

in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "*Terms of the Issue*" beginning on page 139 of this Letter of Offer.

39. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, 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 gains made upon the sale of the Equity Shares.

41. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

42. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

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

44. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the***

value of our Equity Shares, independent of our operating results.

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

45. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

47. *We are subject to pre-emptive surveillance measures i.e., Graded Surveillance Measures (GSM) by the Stock Exchanges to enhance market integrity and safeguard the interest of investors.*

Being a Listed Company, we are subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate 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. Due to the occurrence of the abovementioned factors, it triggers the parameters listed by SEBI and the Stock Exchanges for placing securities under the ASM/ GSM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

Since, our Equity Shares are placed under GSM – stage 0, we are 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 in general causes disruptions in the development of an active trading market for our Equity Shares.

EXTERNAL RISK FACTOR

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

Summary statements of assets and liabilities as at March 31, 2022, 2023, 2024 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2022, 2023, 2024 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

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

The Indian economy is influenced by economic developments in other countries. These factors could depress

economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

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

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

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

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

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

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

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

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

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. 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 prospects. 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.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

52. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates

and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

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

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

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

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

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

57. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

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

SECTION III - INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board on December 18, 2023 read with resolution passed by the Rights Issue Committee at its meeting held on February 01, 2024, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement ratio, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on Friday, November 22, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in “*Terms of the Issue*” beginning on page 139 of this Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 96,10,960 Rights Equity Shares
Rights Entitlement	Up to 19 Rights Equity Share for every 10 fully paid-up Equity Share(s) held on the Record Date.
Fractional Entitlement	For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10 Equity Shares or is not in multiples of 10, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlement, if any.
Record Date	Thursday, November 28, 2024
Face value per equity share	₹ 10.00/- each
Issue Price per Rights Equity Shares	₹ 18 per Equity Share (including a premium of ₹ 8 per Equity Share).
Issue Size (Rights Size)	Upto 96,10,960 Rights Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 18 (Including a premium of ₹ 8) per Rights Equity Share not exceeding an amount of ₹ 1729.97 Lakhs [#] . <i>#To be adjusted as per the Rights Entitlement ratio and assuming full subscription.</i>
Voting Rights	The Rights Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares subscribed, paid-up and outstanding prior to the Issue	50,58,400 Equity Shares. For details, please see chapter titled “ <i>Capital Structure</i> ” beginning on page 39 of this Letter of Offer.
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,46,69,360 Equity Shares
Security codes for the Equity Shares	ISIN for Equity Shares: INE281M01013 BSE Script Code & ID: 531402 & LWSKNIT
ISIN for Rights Entitlements	INE281M20013
Terms of the Issue	For details, please see section titled “ <i>Terms of the Issue</i> ” beginning on page 139 of this Letter of Offer.
Use of Issue Proceeds	For details, please see section titled “ <i>Objects of the Issue</i> ” beginning on page 41 of this Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 139 of this Letter of Offer
Terms of Payment	On the Issue application (i.e., along with the Application Form) – ₹ 18 payable per Rights Equity Share (including premium)

For details in relation to fractional entitlements, please see chapter titled “*Terms of the Issue*” beginning on page 139 of this Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	Friday, December 06, 2024
Last Date for On Market Renunciation of Rights*	Tuesday, December 10, 2024
Issue Closing Date**	Monday, December 16, 2024

***Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

**The Board of Directors thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was originally incorporated as “LWS Knitwear Private Limited” at Punjab on May 09, 1989 as a Private Limited Company, under the Companies Act, 1956 and a Certificate of Incorporation was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our Company was converted from a private limited company to a public limited company on April 1, 1991 and consequently, the name of our Company was changed to “LWS Knitwear Limited”.

Registered Office of Company	G T Road (West), Ludhiana - 141008, Punjab, India.
Company Registration Number	009315
Corporate Identity Number	L55101PB1989PLC009315
Email ID	info@lwsknitwear.com
Website	www.lwsknitwear.com
Telephone	98778 15974
Contact Person	Laxmi Khatri

Changes to our Registered Office

There has been no change in the Registered Office of our Company since incorporation.

REGISTRAR OF COMPANIES

Our Company is registered with Registrar of Companies, Chandigarh, Punjab.

Registrar of Companies, Punjab and Chandigarh,

1st Floor, Corporate Bhawan,

Plot No. 4-B, Sector27-B,

Chandigarh – 160019, Punjab, India.

DESIGNATED STOCK EXCHANGE

BSE Limited situated at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

CHIEF FINANCIAL OFFICER

Arjun Kapoor

G T Road (West), Ludhiana - 141008, Punjab, India

Tel No: 98778-15974

Email ID: info@lwsknitwear.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Laxmi Khatri

G T Road (West), Ludhiana - 141008, Punjab, India.

Tel No: 98778-15974

Email ID: info@lwsknitwear.com

BOARD OF DIRECTORS

The following table sets out the brief details of our Board as on the date of this Letter of Offer:

NAME	AGE	DIN	DESIGNATION	ADDRESS
Girish Kapoor	69	01870917	Managing Director	82, Mall Road, Opp. Session Judge House, Civil Line, Ludhiana, Punjab-141001.
Kusum Kapoor	63	07135383	Additional (Whole-Time) Director	82, Mall Road, Opp. Session Judge House, Civil Line, Ludhiana, Punjab-141001.
Ramesh Kumar Sharma	60	09545798	Non-Executive Independent Director	House No. 532 Block-8 Lakkar Bazar New Mohalla, Central Post Office, Ludhiana (West) Punjab-141008.
Neelam Bahri	65	09545848	Non-Executive Independent Director	Flat No. 201/A, Hamilton Towers, Jalandhar-I, Jalandhar, Punjab-144003.

NAME	AGE	DIN	DESIGNATION	ADDRESS
Ashwani Kumar Sharma	41	10277499	Non-Executive Independent Director	53, Haibowal Kalan, Shakti Vihar, Ludhiana, Punjab, 141001

For further details of our Board of Directors, please see to the chapter titled **“Our Management”** beginning on page 69 of this Letter of Offer.

STATUTORY & PEER REVIEW AUDITOR

M/s. Parmod G. Gupta & Associates, Chartered Accountants

Address: Unique Tower, 3rd Floor

Adjoining Corporation Bank

Pakhawal Road, Ludhiana - 141002

Telephone: 9815118193

Email Id: parmodg.ca@gmail.com

Contact Person: Parmod Gupta

Peer Review No.: 013791

Firm Registration No.: 018870N

Membership No.:096109

Changes in statutory auditors during the last three years

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Letter of Offer.

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
M/s. D R Gupta & Associates, Chartered Accountants	76, Bawa Colony, Balloki Road, Haibowal Kalan, Ludhiana Email: cadrguptas@gmail.com	Date of appointment – June 10, 2022 Date of cessation - April 11, 2023	The auditor has been granted PR by Australian Government for permanent residency and has moved to Australia
M/s. Rajiv Rajinder & Co., Chartered Accountants	100A, Madhuban Enclave, Barewal Road, Ludhiana, 141012 Email: rajivjindal72@gmail.com	Date of appointment – May 19, 2023 Date of cessation - Till the conclusion of AGM for FY 2022-23 i.e., September 28, 2023	Appointed to fill the casual vacancy created on account of resignation of M/s. D R Gupta & Associates
M/s. Parmod G. Gupta & Associates, Chartered Accountants	Unique Tower, 3rd Floor Adjoining Corporation Bank Pakhowal Road, Ludhiana – 141002 Email: parmodg.ca@gmail.com	Date of appointment – September 28, 2023	Appointed on completion of term of Rajiv Rajinder & Co., Chartered Accountants as the Rajiv Rajinder & Co. Co., Chartered Accountants was appointed under casual vacancy till the date of ensuing AGM

BANKERS

BANKERS TO THE ISSUE	BANKERS TO THE COMPANY
AXIS BANK LIMITED Address: Gr. floor, Shop no. 2, BPS Pratishtha, Devidayal Road, opp T Ward office of BMC, Panchrasta, Mulund West, Mumbai- 400080 Tel No.: 8805001704 Contact Person: Pallavi Agnihotri E-mail:	DEUTSCHE BANK AG SCO 9-10, Canal Colony, Pakhowal Road, Ludhiana, Punjab - 141002 Tel No: 0161 - 6624500 Email Id: Vineet-kumar.saxena@db.com Website: www.deutschebank.co.in Contact Person: Vineet Kumar Saxena

devidayalroadmulund.operationsbead@axisbank.com	<p>STATE BANK OF INDIA Gurudev Nagar Branch, Ferozepur Branch, Ludhiana Tel No: 0161 – 5081608/ 9646318002 Email Id: sbi.01859@sbi.co.in Contact Person: Isha Bansal</p>
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REGISTRAR TO THE ISSUE

Beetal Financial & Computer Services Private Limited

Beetal House, 3 Floor, 99 Madangir Behind Local Shopping Center,
Near Data Harsukhdas Mandir, New Delhi, Delhi - 110062, India.

Tel. No.: 011 - 29961281 / 29961282

Fax: 011 - 29961284

Email: beetal@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Punit Kumar Mittal

SEBI Registration No.: INR000000262

LEGAL ADVISOR TO THE ISSUE

Vidhigya Associates, Advocates

501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street
Fort, Mumbai - 400 001

Telephone: + 918424030160

Email: rahul@vidhigyaassociates.com

Contact Person: Rahul Pandey

ADVISOR TO THE COMPANY

K. K. B. Management Consultants Private Limited

House No. 16-17, Block - B, Raghunath Enclave,
Canal Road, Ludhiana, Punjab, India, 141012

Contact Person: Ritin Maheshwari

Tel. No.: 75270-74270

Email: info@kkbector.com

Investor Grievances

Investors may contact the Registrar to the Issue and Share Transfer Agent or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

For details on the ASBA process, see “*Terms of the Issue*” beginning on page 139 of this Letter of Offer.

Expert

Our Company has received written consent dated January 30, 2024 from the Statutory Auditors, M/s. Parmod G. Gupta & Associates, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in the Draft Letter of Offer/ the Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of Restated Financial Statement dated September 26, 2024; and (ii) the statement of tax benefits dated September 26, 2024 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (“SCSBs”)

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link. On Allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares allotted.

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), 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 Bid cum 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 Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

The Company has not appointed any merchant banker to the Issue and hence there is no inter-se allocation of responsibilities.

CREDIT RATING

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

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000.00 lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI ICDR Regulation.

UNDERWRITING

This Rights Issue is not underwritten.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with BSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

MINIMUM SUBSCRIPTION

The objects of the Issue involve financing other than the financing of capital expenditure for a project. Further, our Promoters and members forming part of our Promoter Group have, vide their letters each dated January 29, 2024 and January 30, 2024, undertaken to subscribe, jointly and/ or severally, to the full extent of their rights entitlement and that they shall not renounce their rights (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group). Our Promoters and members of the Promoter Group have jointly and/or severally

reserved their right to subscribe to over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR, the SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws. Accordingly, minimum subscription criteria are not applicable to the Issue.

The allotment of Equity Shares subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

ISSUE SCHEDULE

Particulars	Day and Date
Last Date for credit of Rights Entitlements	Friday, December 13, 2024
Issue Opening Date	Friday, December 06, 2024
Last Date for On Market Renunciation of the Rights Entitlements #	Tuesday, December 10, 2024
Issue Closing Date*	Monday, December 16, 2024
Finalization of Basis of Allotment (on or about)	Thursday, December 19, 2024
Date of Allotment (on or about)	Friday, December 20, 2024
Date of credit (on or about)	Friday, December 27, 2024
Date of listing (on or about)	Friday, December 27, 2024

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as maybe permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., **Thursday, December 12, 2024** to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Offer Closing Date, i.e., **Friday, December 13, 2024** .

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Offer Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, please see to the section titled “*Terms of the Issue*” beginning on page 139 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.beetalfinancial.com after keying in their respective details along with other security control measures implemented there at. For further details, please see to the paragraph titled see ‘*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*’ under the chapter titled “*Terms of the Issue*” beginning on page 139 of this Letter of Offer.

APPRAISING ENTITY

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid up share capital after the Issue, are set forth below:

(Amount in ₹ Lakhs, except the share data)

Sr. No.	Particulars	Aggregate value at	
		Face value	Issue Price ⁽¹⁾
1	AUTHORISED SHARE CAPITAL		
	1,55,00,000 Equity Shares of face value of ₹ 10.00/- each	1,550.00	-
2	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	50,58,400 fully paid-up Equity Shares of face value of ₹ 10.00/- each	505.84	-
3	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽²⁾		
	Up to 96,10,960 Rights Equity shares of face value of ₹ 10.00/- each at a premium of ₹ 8 per Equity Share, i.e., at a price of ₹ 18 per Equity Share	961.10	1,729.97
4	ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE^(#)		
	Up to 1,46,69,360 fully paid-up Equity Shares of face value ₹ 10.00/- each	1466.94	
5	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		20.00
	After the Issue ⁽³⁾⁽⁴⁾		788.88

Notes:

- (1) To be updated upon finalization of the Issue Price.
- (2) The Issue has been authorised by our Board pursuant to resolution dated December 18, 2023 read with resolution passed by the Rights Issue Committee at its meeting held on February 01, 2024. The terms of the Issue including the Record Date and Rights Entitlement ratio, have been approved by a resolution passed by our Board at its meeting held on Friday, November 22, 2024.
- (3) Assuming full subscription for and Allotment of the Equity Shares.
- (4) Subject to finalisation of the Basis of Allotment.

Notes to the Capital Structure

1. No Equity Shares or convertible securities have been acquired by the Promoters or the members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

2. As on date of this Letter of Offer, none of the Equity Shares or other securities held by the Promoter or the members of the Promoter Group of our Company are locked in, pledged, or otherwise encumbered

3. Details of outstanding instruments as on the date of this Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert Equity Shares, loans or other instruments convertible into Equity Shares as on the date of this Letter of Offer.

4. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoters and Promoter Group, by way of their letters dated January 29, 2024 and January 30, 2024, have undertaken to (i) subscribe, to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group); (ii) also subscribe to Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favour by any other member(s) of the Promoter and Promoter group; and (iii) their intention to apply for and subscribe to additional Rights Equity Shares and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Our Promoters and members of the Promoter Group have jointly and/or severally reserved their right to subscribe to over and above their Rights Entitlement in the Issue, either in the form of subscription to the Rights Entitlement renounced in their favour or subscription to Additional Rights Equity Shares or the unsubscribed portion in the Issue, in accordance with and subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR, the SEBI Listing Regulations, SEBI Takeover Regulations and other applicable laws. Accordingly, minimum subscription criteria are not applicable to the Issue.

The allotment of Equity Shares subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b)

of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹26.34.

6. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**

(a) The statement showing holding of the Equity Shares as on September 30, 2024, can be accessed on the website of BSE [here](#).

(b) The statement showing holding of the Equity Shares of the persons belonging category to the “Promoters and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on September 30, 2024, can be accessed on the website of BSE at [here](#).

(c) The statement showing holding of the Equity Shares of persons belonging to the category “Public shareholders” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2024, can be accessed on the website of BSE at [here](#).

7. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

As on date of filing of this Letter of Offer, none of our Promoters and Promoter Group have any shares locked-in, pledged, or encumbered.

8. **Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Letter of Offer:**

None of our Promoters or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Letter of Offer.

9. **Details of outstanding securities of our Company**

Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

10. At any given time, there shall be only one denomination of the Equity Shares of the Company.

11. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the chapter entitled “*Terms of the Issue*” on page 139 of this Letter of Offer.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects (*collectively referred to as "Objects"*):

1. Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group;
2. To meet our working capital requirements; and
3. General corporate purposes

The main objects clause and objects incidental or ancillary 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.

In addition to the aforementioned objects, our Company intends to strengthen its capital base.

Net Proceeds

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

(₹ In lakhs)

Particulars	Estimated Amount
Gross Proceeds from the Issue*	Upto 1,729.97
Less: Issue Related Expense	150.00
Net Proceeds#	1,579.97

*Assuming full subscription and Allotment of the Rights Entitlement.

If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

Utilization of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in Lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilization of Net Proceeds in FY 2023- 24	Estimated utilization of Net Proceeds in FY 2024- 25
Part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group	971.48	Nil	971.48
To meet working capital requirement	200.00	Nil	200.00
General corporate purposes*	408.49	Nil	408.49
Net Proceeds	1,579.97	Nil	1,579.97

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. For further details of factors that may affect these estimates, see "**Risk Factors -There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds**" on page 18 of this Letter of Offer. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation 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 law. If the funding of the said object of the offer is not completed from the Net Proceeds, then the remaining costs shall be met from our internal accruals. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects and issue expenses is lower than the proposed deployment, such balance will be used towards other objects as stated herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Where the issue size is reduced on account of any unsubscribed portion, the proceeds to be utilized towards the above Objects (other than part repayment or prepayment of unsecured loans availed from the Promoters and from the member of the Promoter Group & the issue expenses) would stand reduced proportionately or in such proportion, at the discretion of the management.

Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Details of the Objects of the Issue

1. *Part repayment or prepayment of unsecured loans availed from the Promoter and Promoter Group.*

Since the Company required fund towards meeting its working capital requirements, the Promoters and Promoter Group have advanced by way unsecured loans to the Company at various intervals. As on November 29, 2024, our Company has availed unsecured loans amounting to ₹ 1100.98 Lakhs from our Promoter and Promoter Group, as stated in the table below. These loans are repayable on demand and there are no penalties for prepayment.

Sr. No.	Lender	Outstanding Unsecured loan as on November 29, 2024 (₹ in lakhs)	Interest (%)	Nature of Borrowing	Purpose of borrowings
1.	Promoter & Promoter Group	1100.98	0.00%	Unsecured Loan	Meeting working capital requirements and repayment of loan

**As per certificate issued by our statutory auditors M/s. Parmod G. Gupta & Associates, Chartered Accountants dated November 30, 2024*

The selection and extent of borrowings proposed to be prepaid and/or repaid by our Company as mentioned herein above is based on various commercial consideration. The prepayment or repayment will help us reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt to equity ratio of our Company is intended to enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Our Company shall adjust the unsecured loan given by our Promoter and member of the Promoter Group against the application money payable by them, to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlement or subscription to additional Rights Equity Shares (*as the case may be*). Consequently, no fresh issue proceeds would be received by our Company to that extent. Further, our Company will ensure that the repayment/prepayment of the unsecured loans as above shall not be made through proceeds of the Rights Issue except, that the Borrowings from such Promoter and/or promoter group are adjusted only against share application to the extent of their subscription and allotment of the Rights Equity Shares under the Issue.

Given the nature of the borrowings and the repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, repay or refinance some of its existing borrowings or may replace the above borrowings with new or additional borrowings from within the Promoter Group, prior to Allotment. In light of the above, post filing of this DLOF, any of the abovementioned loans or facilities may be repaid, in part or full, or refinanced.

2. Meeting working capital requirements

Our business is working capital intensive and we avail a majority of our working capital in the ordinary course of our business from internal accruals, unsecured loan financed by related party and from banks. As of December 31, 2023, our Company's has an overdraft facility and the sanctioned limits is ₹ 500.00 Lakhs.

Basis of estimation of incremental working capital requirement

Details of Company's working capital and the source of funding, on the basis of Restated Financial Statement of our Company as at March 31, 2024, March 31, 2023 and March 31, 2022 and estimated figures for March 31, 2025, are as set out in the table below:

(₹ In lakhs)

Particulars	As at March 31, 2025 (Projected)*	As at March 31, 2024 (Restated)*	As at March 31, 2023 (Restated)*	As at March 31, 2022 (Restated)*
Current Assets				
Inventories	1,134.37	1,483.66	869.29	945.07
Trade Receivables	3,403.10	2,293.47	3195.29	1233.49
Other Current Assets Including Short Term Loan and Advances	1,020.93	453.91	835.47	969.09
Total (A)	5558.40	4231.04	4900.05	3147.65
Current Liabilities				
Trade Payables	2,041.86	1,075.30	2335.86	1585.81
Other financial and Current Liabilities	22.69	24.28	12.2	69.47
Short Term Provisions (Current Tax Liabilities)	22.69	50.87	10.52	10.31
Total (B)	2,087.23	1150.45	2358.58	1665.59
Net Working Capital (A)-(B)	3,471.16	3,080.59	2541.47	1482.06
Sources of Working Capital				
Bank and other Borrowings*	1,310.27	1,862.01	1596.98	499.72
Other Sources (Internal Accruals)	1,960.89	1,218.58	944.49	982.34
Proceeds from Rights Issue	200.00	NA	NA	NA

For further details, please refer to "*Restated Financial Statements*" on page 79.

Assumptions for our estimated working capital requirement:

(in days)

Particulars	As on March 31, 2025 (Projected)	As on March 31, 2024 (Projected)	As at March 31, 2023* (Restated)	As at March 31, 2022* (Restated)
No. of Days holding period of Inventory	50	72	51	56
No. of Days holding period of Trade Receivables	150	111	186	73
No. of Days holding period of other current assets	45	22	49	57
No. of Days holding period of Trade Payables	90	52	136	94
No. of Days holding period of Other financial and Current Liabilities	1	1	1	4

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned object of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned object, in accordance with applicable law.

3. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including but not restricted to (i) funding growth opportunities, including strategic initiatives; (ii) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (iii) additional working capital requirements; (iv) repayment/ prepayment of our borrowings; (v) servicing of borrowings including payment of interest; (vi) meeting of exigencies which our Company may face in the course of any business; (vii) brand building and other marketing expenses; (viii) meeting any shortfall in estimate towards issue related expenses; (ix) capital expenditure; (x) strategic initiatives; (xi) meeting expenses incurred by our Company; (xii) strengthening of our manufacturing capabilities and (xiii) any other purpose as permitted by applicable laws.

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 Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 150.00 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount (₹ In lakhs)	As a % of total estimated issue expenses ⁽¹⁾	As a % of issue size ⁽¹⁾
Fees payable to Registrar to Issue, Legal and Other Services Advertising and marketing expenses, printing and distribution of issue stationery, brokerage, selling, commission and upload fees	70.00	46.67%	4.05%
Regulators including stock exchange	8.00	5.33%	0.46%
Other expenses (including advisory fees, consultancy fees, depositories, marketing fees, miscellaneous expenses and stamp duty)	72.00	48.00%	4.16%
Total estimated Issue expenses*	150.00	100.00%	8.67%

*excluding applicable taxes

Notes:

1. Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted against other Objects. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the Initial Subscription Amount to the Rights Equity Shares

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 utilization 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.

Bridge financing facilities and other financial arrangements

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 Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Appraising Agency

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

Variation in Objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and applicable rules.

Key Industry Regulations for the objects of the issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
LWS Knitwear Limited
Ludhiana

Dear Sir,

Statement of Special Tax Benefits available to LWS Knitwear Limited ("the Company") and its Shareholders under the Indian Tax Laws

1. We hereby confirm that the enclosed **Annexure I and II**, prepared by the company, provides the Special 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, read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, as amended and presently in force in India (together, the "Direct Tax Laws"), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Act, 2017, read with Rules, Circulars, and Notifications ("GST Law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs Law") as amended, the rules and regulations there under, and Foreign Trade Policy, as amended and presently in force in India (collectively referred as "Indirect Tax Laws") and along with the Direct Tax Laws, (collectively, the Direct Tax Laws and the Indirect Tax Laws will be referred as "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 or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future and accordingly, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures cover only special tax benefits available to the Company and to the shareholders of the Company and do not cover any general tax benefits available to the Company and to the shareholders of the Company. We wish to highlight that the distinction between 'general' and 'special' tax benefits is not clear as the said terms have not been defined under the ICDR Regulations. Accordingly, we have provided comments on those tax benefits, the availability of which is contingent to fulfilment of certain conditions as per the applicable Tax Laws.
3. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the 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 Offer. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.
4. We do not express any opinion or provide any assurance as to whether:
 - the Company or its shareholders will continue to obtain these benefits in future;
 - the conditions prescribed for availing the benefits have been / would be met with; and
 - the revenue authorities / courts will concur with the views expressed herein.
5. The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
6. This statement is prepared solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the proposed offer relying on the

statement. This statement has been prepared solely in connection with the proposed offering of equity shares of the Company under the ICDR Regulations.

For Parmod G Gupta & Associates

Chartered Accountants

Firm Registration Number - 018870N

Sd/-

Parmod Gupta

Partner

M. No. – 096109

UDIN – 24096109BKDSGW9555

Ludhiana

September 26, 2024

ANNEXURE – I

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

The information provided below sets out the possible special direct tax benefits available to the Company and the 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 shareholders fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in 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, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

The statement outlined below is based on the provisions of the Act presently in force in India.

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

Outlined below are the special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2024, read with the Income-tax Rules, 1962, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, as amended and presently in force in India (together, the "Direct Tax Laws").

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

• Lower corporate tax rate under section 115BAA of the Act

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from FY 2020-21.

As per the Finance Act, 2020, the deduction shall be available only if the total income of the company shall be computed-

- (i) without considering any deduction under the provisions of section 10AA or clause (ia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or subclause (ii) or sub-clause (ia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A other than the provisions of section 80JAA or 80M.

- (ii) without 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 to in clause (i);
- (iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and
- (iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.
- (v) The loss and depreciation referred to in clause (ii) and clause (iii) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year.

- **Deductions from Gross Total Income**

- **Deduction in respect of employment of new employee - Section 80JJAA of the Act**

As per section 80JJAA of the Act, while computing income under the head business and profession in case of an assessee to whom section 44AB (i.e. Audit under Income Tax Act, 1961 referred to as “Tax Audit”) applies, a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the FY, shall be allowed for three AYs including the AY relevant to the FY in which such employment is provided. The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80JJAA of the Act. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

- **Deduction in respect of inter-corporate dividends – Section 80M of the Act**

Up to 31st March, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source (“TDS”) at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section 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, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends 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.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions as specified. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- The Finance Act 2020 amended the manner of taxation of dividend income by abolishing dividend distribution tax and restoring classical system of dividend taxation (i.e. taxation of dividend income in the hands of the shareholders). Considering the nature of income, it is not possible for taxpayer to accurately determine the advance tax liability on dividend income and therefore, the proviso to section 234C(1) of the Act provides that no interest shall be levied under section 234C of the Act, if the shortfall in payment of advance tax instalment is on account of underestimation or failure to estimate dividend. The amendment was introduced by Finance Act 2021 and is applicable from April 1, 2021.
- As per section 194 of the Act, the Company is required to deduct tax at source from the amount of dividend paid to shareholders, except in the case of certain categories of shareholders as specified in the said section which inter alia include individual shareholders receiving dividend not exceeding ₹5,000 (in aggregate during a FY) by any mode other than cash.
- As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% for any transfer which takes place before

July 23, 2024 (without Indexation) and taxed at 12.5% (without Indexation) for any transfer which takes place on or after July 23, 2024 of such capital gains subject to fulfilment of prescribed conditions under the Act. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹1,25,000. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Offering.

- A new section 55(2)(ac) of the Act has been inserted to provide grandfathering of gains on the specified assets (as defined u/s 112A of the Act) acquired prior to 1 February 2018. The Cost of acquisition would be higher of –
 - a) Cost of acquisition and
 - b) Lower of –
 - i. Fair market value* of such shares
 - ii. Full value of consideration received or accruing as result of transfer of capital asset

* ‘fair market value’ means in a case where the capital asset is an equity share in a company which is not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer, an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later.
- In case where the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 and section 112A of the Income-tax Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed 15%.
- The Finance Act 2023 has capped surcharge on total income of individual assesses opting for concessional tax regime under section 115BAC to 25% (instead of earlier surcharge of 37% for individuals having total income exceeding) ₹5 crores.
- Section 112 of the Act provides for taxation of long-term capital gains. In case of a domestic company / resident, the long-term capital gains arising from the transfer of a capital asset shall be taxed at the rate of 20% (With Indexation) for any transfer which takes place before July 23, 2024 and taxed at 12.5% (Without Indexation) for any transfer which takes place on or after July 23, 2024.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset, being unlisted securities or shares of a company not being a company in which the public are substantially interested, as computed without giving effect to the first and second provisos to section 48, calculated on such long-term capital gains at the rate of 10% for any transfer which takes place before July 23, 2024 and taxed at 12.5% (Without Indexation) for any transfer which takes place on or after July 23, 2024.

Further, where the tax payable in respect of any income arising from the transfer of a long-term capital asset which takes place before July 23, 2024, being listed securities (other than a unit) or zero coupon bond, exceeds 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48, then, such excess shall be ignored for the purpose of computing the tax payable by the assessee

- As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% on any transfer which takes place before 23.07.2024 and taxed at 20% on any transfer which takes place on or after 23.07.2024 subject to fulfilment of prescribed conditions under the Act.

Notes -

1. The above statement of direct tax benefits (“Statement”) sets out the special tax benefits available to the Company and its shareholders under the Direct Tax Laws.
2. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 issue.
3. This Statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above may be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. The above Statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

Our views expressed in this Statement are based on the facts and assumptions as indicated in this Statement. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE – II

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

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Act, 2017, read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy, as amended and presently in force in India (collectively referred as “Indirect Tax Laws”).

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

- The Company is not entitled to any special tax benefits under the Indirect Tax Laws.

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- The shareholder is not entitled to any special tax benefits under the Indirect Tax Laws.

Notes -

1. The above Statement of Special Indirect Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax Laws.
2. The above Statement does not cover any special tax law benefits under Direct Tax Laws or benefit under any other law.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections "Risk Factors" and "Restated Financial Statements" beginning on pages 18 and 79 respectively. Accordingly, investment decisions should not be based on such information

INTRODUCTION:

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee 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.

MARKET SIZE:

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. 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.

Textile manufacturing in India has been steadily recovering amid the pandemic. The manufacturing of textiles Index for the month of June 2024 is 106.

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's home textile industry is expected to expand at a CAGR of 8.9% during 2023-32 and reached US\$ 23.32 billion in 2032 from US\$ 10.78 billion in 2023.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 billion in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 billion in 2022 and is expected to grow at 15% to reach US\$ 22.45 billion 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.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in

India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. 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.

During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 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\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. 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 FY25 (April- June) the total exports of textiles stood at US\$ 9.17 billion

In FY25 (April-June), exports of readymade garments including accessories stood at US\$ 2,244 million.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

INVESTMENTS / DEVELOPMENTS:

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024. The textiles sector has witnessed a spurt in investment during the last five years.

- In August 2023, government has sanctioned the establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks on Greenfield and Brownfield sites. These parks will feature world-class infrastructure, including plug-and-play facilities, with a total investment of Rs. 4,445 crore (US\$ 535 million) over a seven-year period, extending to 2027-28.
- Ministry of Textiles has sanctioned 19 research projects totalling approximately Rs. 21 crore (US\$ 2.52 million) across various domains of Technical Textiles under the National Technical Textiles Mission.
- DS Group's luxury menswear division, Brioni inaugurates its first boutique in India in November 2023.
- In November 2023, Reliance Foundation launched the first 'Swadesh' handicrafts store in Hyderabad, aimed at supporting and promoting Indian craftwork.
- Industry bodies to host the largest global mega textiles event, Bharat Tex 2024 from February 26-29, 2024, in New Delhi. According to Union Minister, Mr. Piyush Goyal, Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse.
- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- 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.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme "Cotton Value Chain- Local Innovations for Global Prosperity".
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).

- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.
- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising of cotton mélange yarn and PC grey yarn along with dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labor-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile to technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specialises in rejuvenating textile waste into virgin grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- 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.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- 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.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognized for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- 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 crores (US\$ 8.63 million).

GOVERNMENT INITIATIVES:

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textiles market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.
- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- 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.
- In June 2023, Government has approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crores (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crores (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crores (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- 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.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.

- The Government of India has earmarked a corpus of Rs. 1,000 crores (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crores (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

EXECUTIVE SUMMARY:

- 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.
- The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports.
- The textile industry has around 45 million of 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.

ADVANTAGE INDIA:

1. Competitive Advantage:
 - Abundant availability of raw materials such as cotton, wool, silk and jute.
 - India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
 - 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.
2. Policy Support

- 100% FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million).
- 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.
- 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.

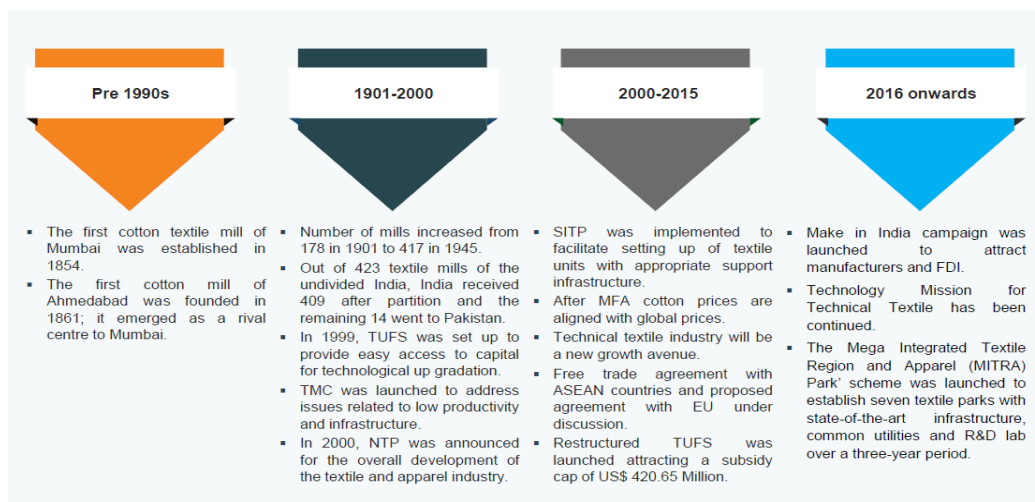
3. Increasing Investments

- 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.
- Total FDI inflows in the textiles sector stood at US \$ 4.47 billion between April 2000 - March 2024.

4. Robust Demand

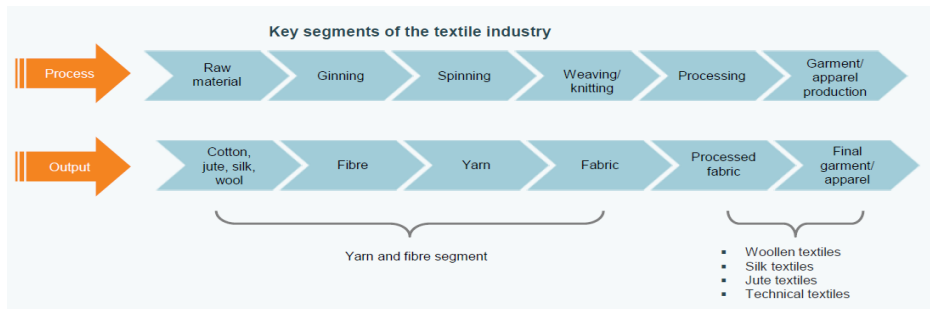
- The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.
- Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.
- 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.
- 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.

EVOLUTION OF THE INDIAN TEXTILE SECTOR:



KEY FACTS:

- The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.
- India's textiles industry contributed 7% to the industry output (by value) in 2022.
- The Indian textiles and apparel industry contributed 2.3% to the GDP, 10.5% to export earnings in FY24.

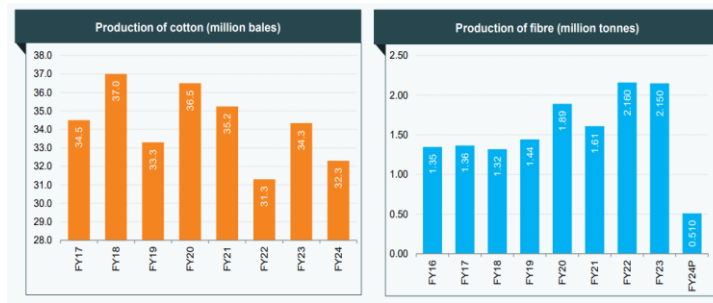


THE SECTOR HAS BEEN POSTING STRONG GROWTH OVER THE YEARS:



- 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.

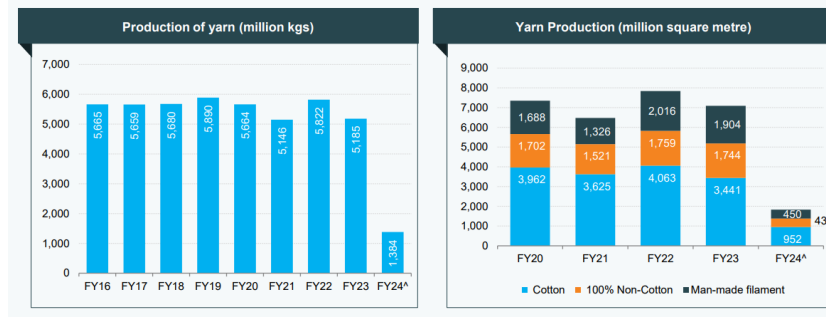
RAW COTTON AND MAN-MADE FIBRE PRODUCTION INCREASING:



- 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.

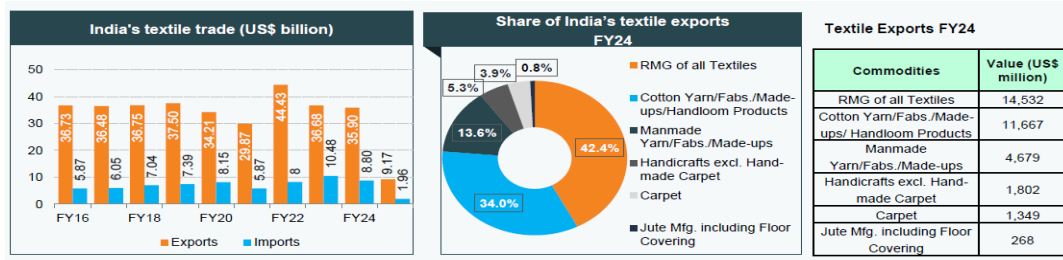
- According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.
- 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.

COTTON IS THE MAJOR SEGMENT IN YARN AND FABRIC:



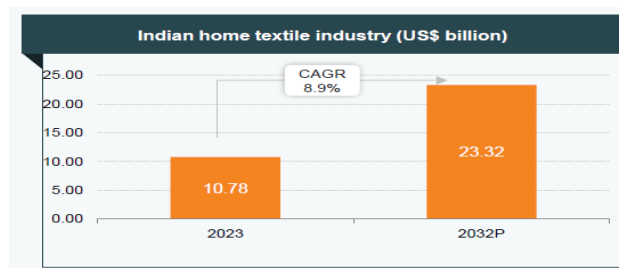
- Production of yarn grew to 5,185 million kgs in FY23.
- In FY24, the Indian jute yarn exports were estimated at US\$ 10 million.
- Expected production of filament yarn climbed by 49% and that of man-made fibres by 33% between April-January 2020 compared to the same period in 2019. Production of blended and 100% non-cotton yarn grew by 2% from April through January 2020 in comparison to the same timeframe in 2019.
- In FY24, cotton yarn worth US\$ 3.7 billion was exported from India.
- In March 2021, Natco Pharma announced its expansion into pheromone-based technology in order to provide Indian farmers with an integrated pest control solution. The company is planning to introduce its first green-label pheromone product to control ‘pink bollworm’ in cotton fields. It’s Crop Health Science (CHS) division will collaborate with ATGC Biotech Pvt. Ltd. (ATGC) for the pheromone-based mating disruption technology.

EXPORT HAVE POSTED STRONG GROWTH OVER THE YEARS:



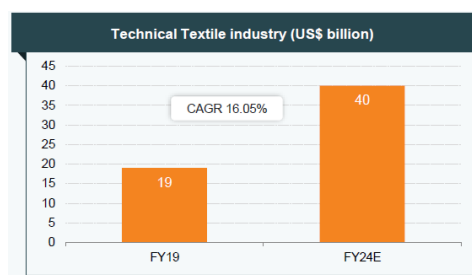
- In FY25 (April- June) the total exports of textiles stood at US\$ 9.17 billion.
- Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 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 labor-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 crores (US\$ 8.06 billion) to 125,000 crores (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 crores (US\$ 335.92 million) to Rs. 10,000 crores (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:



- 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 is expected to expand 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 crores (US\$ 26.9 million) to expand its production capacity.
- For FY22, Welspun India has set aside Rs. 600 crores (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 crores (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:

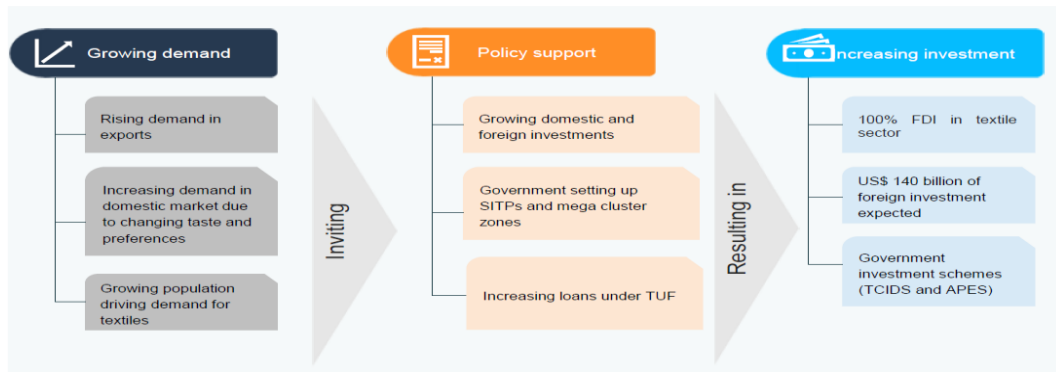


- Technical textiles have been grouped into 12 categories: Agrotech, Meditech, Mobiltech, Packtech, Sportech, Buildtech, Clothtech, Hometech, Protech, Geotech, Oekotech and Indutech.
- Ministry of Textiles, has sanctioned 19 research projects totaling approximately Rs. 21 crore (US\$ 2.52 million) across 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).

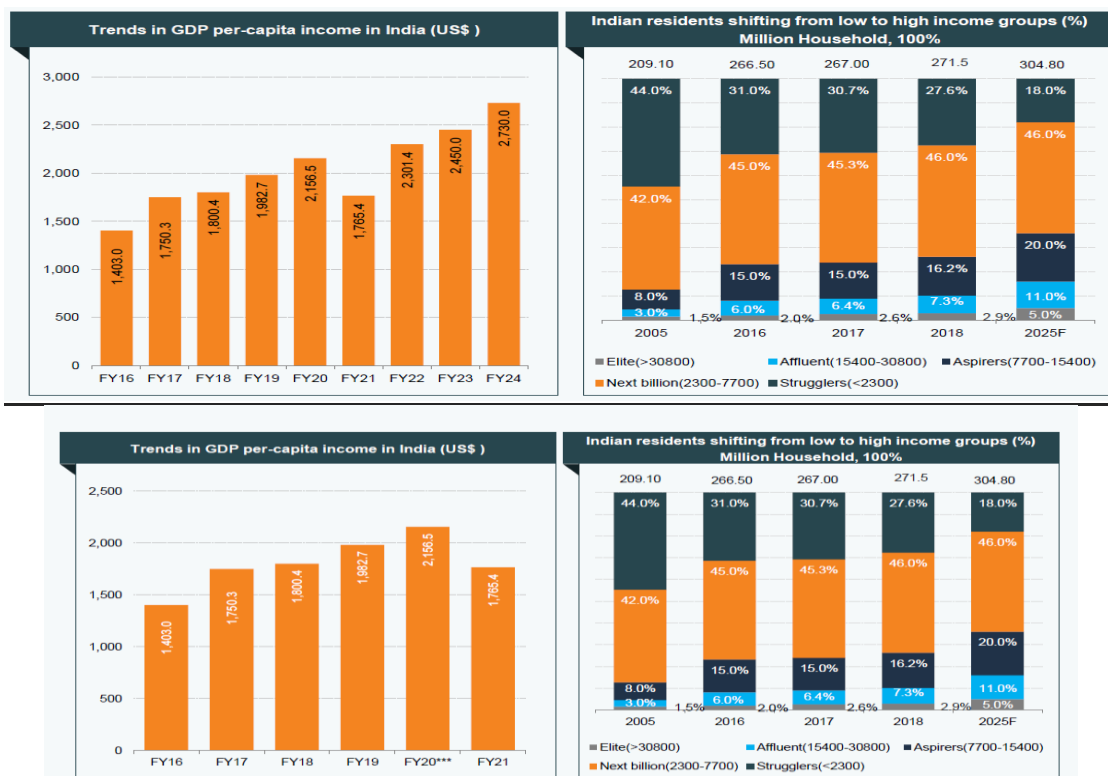
- Under National Technical Textile Mission (NTTM), 74 research proposals valuing US\$ 28.27 million (Rs. 232 crore) have been approved in the category of specialty fibre and technical textile. 31 new HSN codes have been developed in this space.
- In 2022-23, the Sardar Vallabhbhai Patel International 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 manmade 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 billion in 2022-23.
- The Government of India has earmarked a corpus of Rs. 1,000 crores (US\$ 127.72 million) dedicated for 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).

GROWTH DRIVERS:

STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH

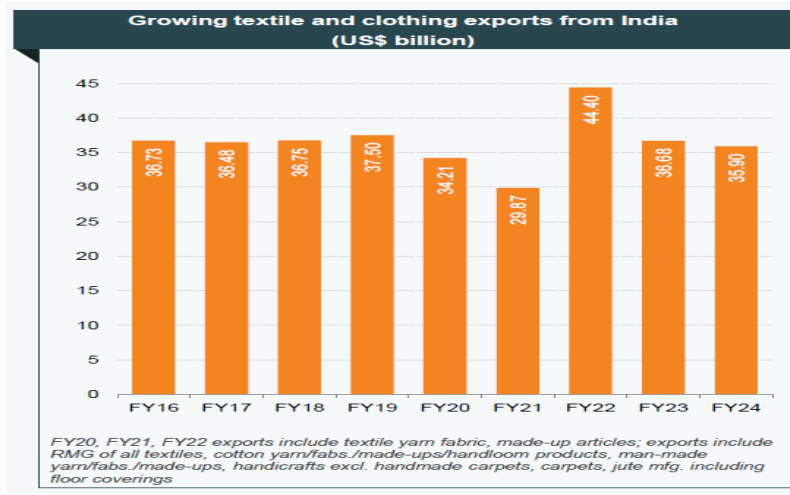


RISING INCOMES AND A GROWING MIDDLE - CLASS DRIVE THE DEMAND



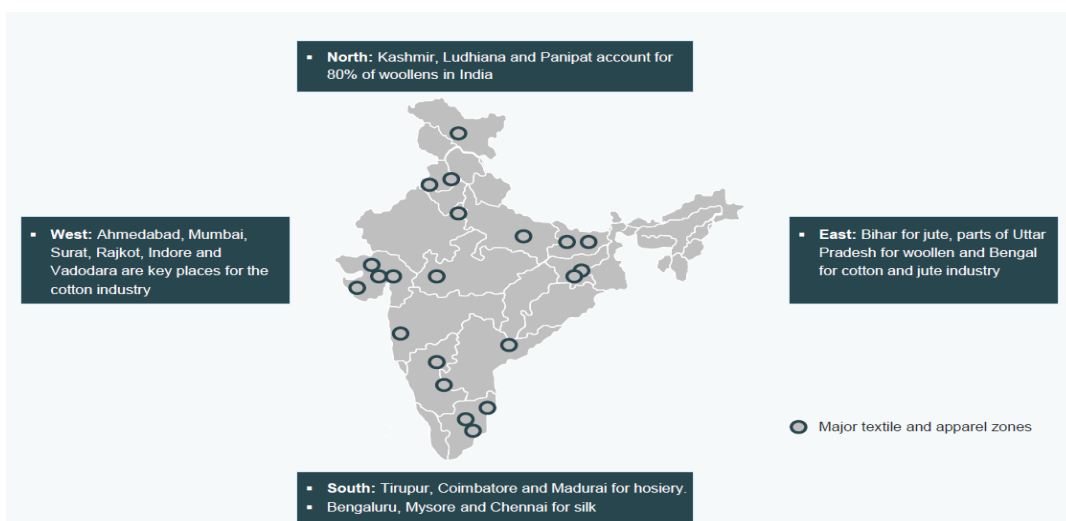
- Rising income has been a key determinant of domestic demand for the sector; with income rising in the rural economy as well. The upward push on demand from rising income is set to continue.
- India's per capita income is likely to grow by nearly 70% to US\$ 4,000 by FY 2030 from US\$ 2,450 in fiscal 2023
- Rising industrial activity would support the growth in per capita income.

EXPORTERS GAINING FROM STRONG GLOBAL DEMAND

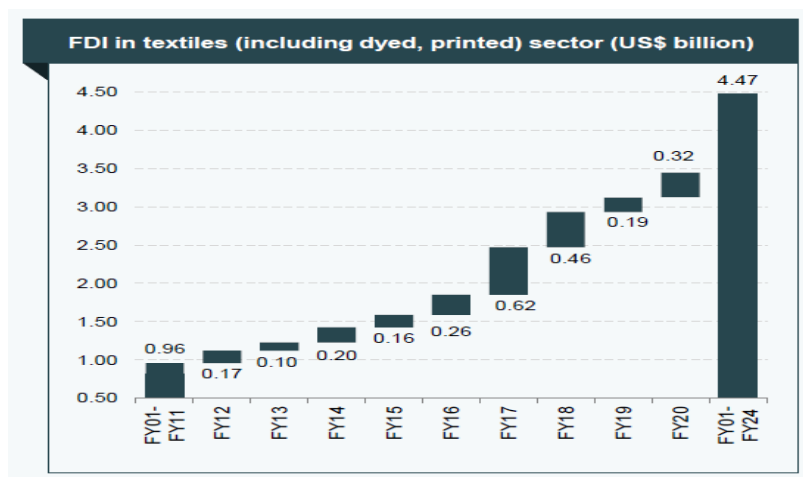


- India is the world’s second-largest textile exporter. Capacity built over years has led to low cost of production per unit in India’s textile industry. This has lent a strong competitive advantage to the country’s textile exporters over key global peers.
- During FY24, the total exports of textiles 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.

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.

ROAD AHEAD

- The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.
- Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.
- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.
- The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2023-24



TEXTILES AND APPAREL

MARKET SIZE

Textiles and Apparel Industry (US\$ billion)

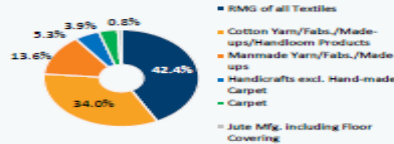


Key Facts as of FY24



SECTOR COMPOSITION

Share of India's textile exports FY24



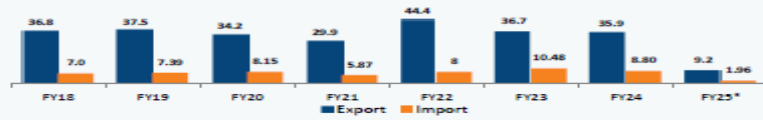
Fabric Production in FY24* (million square meter)



Note: * Until April-June 2023-24

KEY TRENDS

Textiles Trade (US\$ billion)



Note: Imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fabs./made-ups/handloom products, man-made yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets, jute mfg. including floor coverings, *- April-June

GOVERNMENT INITIATIVES



National Textile Policy



Khadi App Store



Pradhan Mantri Fasal Bima Yojana

Note: SAATHI - Sustainable and Accelerated Adoption of efficient Textile technologies to Help small industries

ADVANTAGE INDIA

- Robust demand:** 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. In FY23 (April-June), exports of readymade garments including accessories stood at US\$ 2,244 million.
- Competitive advantage:** Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- Policy support:** 100% FDI (automatic route) is allowed in the Indian textile sector. In October 2021, the government approved a scheme worth Rs. 4,443 crore (US\$ 394.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country. The government is planning to set up 12 new industrial parks and 3-6 mega textile parks, announced by Minister of Commerce and Industry Mr. Piyush Goyal. He also urged the private sector to capitalize on these initiatives.
- Increasing Investments:** In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector. Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000-March 2024.

[Source: IBEF Presentation on Textiles, August, 2024]

OUR BUSINESS

Some of the information in this section, 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 12 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements and ‘Risk Factors’, ‘Restated Financial Statements’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ on pages 18, 79 and 124 respectively, of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements included in this Letter of Offer. For further information, see section titled ‘Restated Financial Statements’ on page 79 of this Letter of Offer. We have, in this Letter of Offer, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions.

Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Letter of Offer.

Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to LWS Knitwear Limited.

BUSINESS OVERVIEW

Our Company was originally incorporated, as a manufacturer of winter and summer wear garments at Ludhiana, Punjab, as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 09, 1989 bearing registration number 009315 issued by Registrar of Companies, Punjab and Chandigarh. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Punjab and Chandigarh, dated April 1, 1991 and consequently the name of our Company was changed to “LWS Knitwear Limited”. Our Company is listed on BSE Limited since February 5, 1996. The Corporate Identification Number is L55101PB1989PLC009315.

Our Company is currently engaged in trading of knitted fabric of various textures and thereby catering to our customers’ needs by offering knitted fabric of various design, texture to suit the ongoing fashion trend and market demand. Knitted fabric is a textile that results from knitting, the process of inter-looping of yarns or inter-meshing of loops which may be used as for garments for men, women and children. Knitted fabrics are used for manufacturing of various garments such as dresses, skirts, tops, underwear, pajamas, t-shirts, scarfs, sweaters, cardigans, fitting dresses, leggings, cardigans, shirts, turtlenecks, cuffs, cardigans, sweaters, neckbands, etc. We source our products through third-party manufacturers and traders. Further, we are also engaged in trading of readymade knitted t-shirts.

Our Promoter, Girish Kapoor, has over 3 decades of experience in the textile Industry. Our Promoter, Girish Kapoor continues to remain actively involved in our operations and continues to bring his vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified Senior Management Team who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see “*Our Promoters*” and “*Our Management*” on page 75 and 69, respectively.

In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have generated total income of Rs. 7,513.47 lakhs, Rs. 6,261.52 lakhs and Rs. 6,175.63 lakhs, respectively and net profit after tax of Rs. 139.95 lakhs, Rs. 29.37 lakhs and Rs. 26.05 lakhs, respectively. Further, as per financial results for three months period ended June 30, 2024, we have generated total income of Rs. 1,738.39 lakhs and net profit after tax of Rs. 32.33 lakhs.

Our Competitive Strengths

We believe our operating history in the knitted wear business has helped us gain significant expertise and makes us well-positioned in the knitted fabric across segment. We believe that the following strengths enable us to compete successfully in our market:

Existing customer and supplier relationships

We believe that we constantly endeavor to address customer needs around a variety of products. Our existing customer relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.

We have relationship with multiple suppliers, although we do not have any long-term contract with any of our suppliers. We believe that our existing relationships with suppliers will enable us to continue to grow our business. Due to our

relationships with our suppliers, we get quality and timely supply of knitted fabrics at competitive rates. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn enables us to generate repeat business.

Quality Assurance and Standards

We adhere to all the quality standards as prescribed by customers for products and processes. Awareness of quality commitment is widespread among all our employees. The quality assurance measures taken by the quality control team of our Company. This is backed by a suitable quality control system in place with necessary checks & balances to ensure the best possible quality of products.

We have an experienced management team led by our Promoters and key management personnel

Our management team is well-qualified and experienced in the garments industry and has played a key role in the sustained growth of our operations. Our team led by the Managing Director, Girish Kapoor has successfully managed the various phases of expansion, growth and consolidation of our business and operations and has over 42 years of experience in the garments industry and is associated with our Company for over 33 years as directors. Our management is also supported by experienced and technically qualified team.

Our Business Strategies

Building our manufacturing capabilities and improving operational efficiencies

Going forward, we intend to set-up a new manufacturing facility around Ludhiana, which is the textile hub, which will be funded out of our internal accruals. The expected economies accruing from the backward integration of our operations will be utilized towards the manufacturing operations of our Company. Accordingly, the requirement of any incremental working capital will arise only as our operations expand. Additionally, by repaying a considerable amount of outstanding unsecured loan from the Net Proceeds, we will reduce our debt. Consequently, the internal accruals of our Company will increase to that extent and we will utilize this amount for our working capital requirements in relation to the expansion and modernization of our proposed manufacturing facilities.

Further building our own brand and its distribution

We intend to rebuild our brand “LWS”, by leveraging our experience in the industry and our relation with our suppliers and customers. We believe that our proposed in-house production along with the relaunch of our brand “LWS” will improve our profitability margins going forth, ensure maximum usage of our production capability and reduce reliability on orders from our clients.

Strengthening our presence through e-commerce platform

We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to our customers for our ‘Super Star’ brand. We believe that the growing internet penetration in Indian cities, especially Tier-II and Tier-III cities has increased the potential of growth in the e-commerce and online shopping markets. We intend to adopt a “brick and click” model (which integrates both offline and online presence), by leveraging on our existing back-end logistics infrastructure and sourcing capabilities. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in the stores in which products under our ‘LWS’ brand is sold.

Maintain our focus on long-term relationships

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities for additional growth with our existing customers as we diversify our product portfolio and build upon these existing relationships. This strategy increases our customer specific knowledge to provide them end to end solution of their requirement and develop closer relationships with them.

Products

Broad category of products which we manufacture through third-party manufacturers under our brand ‘LWS’ and for national and international brands are as follows:

Category	Description
Knitted Fabric	Knitted fabric is a textile that results from knitting, the process of inter-looping of yarns or inter-meshing of loops which may be used as for garments for men, women and children. Knitted fabrics are used for manufacturing of various garments such as dresses, skirts, tops, underwear, pajamas, t-shirts, scarfs, sweaters, cardigans, fitting dresses, leggings, cardigans, shirts, turtlenecks, cuffs, cardigans, sweaters, neckbands, etc.

In Fiscal 2024, total cloth sold is approx. 20,04,419.29 Kgs approx.

Infrastructure

Since as on the date, we are trading in knitted fabric, our Company does not have any manufacturing facilities.

Capacity Utilisation

Since as on the date, we are trading in knitted fabric, our Company does not have any manufacturing facilities.

Raw Material and its procurement

As on date, we are trading in fabrics, which we procure from third party manufactures.

Inventory Management

We believe that maintaining appropriate levels of inventory is critical to our overall profitability. Our inventory comprises of knitted fabrics procured from third party manufacturers and finished outsourced products. In order to minimize the risk of building up aged inventories, it is our policy to regularly review the obsolescence of inventories based on their age.

Marketing

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. We believe our relationship with the clients is cordial and established as we receive repeat order flows. We intend to expand our existing customer base by reaching out to other geographical areas.

Competition

The industry which we cater to is highly competitive as we compete with organised and unorganised sector on the basis of availability of products, raw materials and other aspects. Also, we face competition from various domestic and international companies and entities. But we intend to continue competing with such entities to grow our business.

Infrastructure Facilities

Power:

We receive power from main grid of Punjab State Power Corporation Limited and is used for the purpose of our office space.

Water:

We utilize our water for human consumption and sanitation purposes. Currently, we are meet our requirement of water from local municipal authorities.

Human Resources

We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses on recruiting, training and retaining our employees, as well as offering them competitive compensation. Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to providing an empowering environment that motivates and facilitates growth and rewards contribution. As on September 30, 2024 we had a total workforce of 8 employee personnels.

INSURANCE

Our Company has insurance coverage which is reasonably sufficient to cover all normal risks associated with our operations. We have taken insurance policies with insurance companies covering risks in relation to our vehicle.

INTELLECTUAL PROPERTY

Intellectual Property

As on the date of this Letter of Offer, our Company does not hold any registered trademark. Currently, we are using the logo which is registered as a trademark under the name of one of our Promoters, Girish Kapoor. For further details, please refer chapter titled "***Risk factors - 15. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.***" on page 18 of this Letter of Offer.

Immovable Properties

Our Company is operating on asset light model and is only using its Registered Office for the purpose of business. The Registered Office premises is not owned by us but rented. The rent agreement for Registered office is valid till October 8, 2025.

OUR MANAGEMENT

Our Board of Directors

As on the date of this Letter of Offer, we have four (4) directors on our Board, comprising of 1 (one) executive director and 3 (three) non-executive independent directors, including one (1) independent woman directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof to the extent applicable to the Company.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships in Companies
<p>GIRISH KAPOOR Designation: Managing Director DIN: 01870917 Date of Birth: January 22, 1955 Age: 69 years Occupation: Business. Address: 82, Mall Road Opp. Session Judge House, Civil Lines, Ludhiana, Punjab 141001. Nationality: Indian. Original Date of Appointment: May 09, 1989</p>	<p>Private Companies:</p> <ul style="list-style-type: none"> • Gee Kay Knitwear Private Limited. • Moksha Getaways Private Limited <p>Public Companies: LWS Exports Limited.</p> <p>Foreign Companies Nil</p>
<p>KUSUM KAPOOR Designation: Additional (Whole-Time) Director DIN: 07135383 Date of Birth: June 04, 1961 Age: 63 years Occupation: Business. Address: 82, Mall Road Opp. Session Judge House, Civil Lines, Ludhiana, Punjab 141001. Nationality: Indian. Original Date of Appointment: November 13, 2024</p>	<p>Private Companies: Nil</p> <p>Public Companies: Nil</p> <p>Foreign Companies Nil</p>
<p>RAMESH KUMAR SHARMA Designation: Non-Executive Independent Director DIN: 09545798 Date of Birth: March 14, 1963 Age: 61 years Occupation: Professional Address: House No. 532 Block-8, Lakkar Bazar, New Mohalla, Ludhiana, Central Post Office, Ludhiana (West), Punjab-141008 Nationality: Indian Original Date of Appointment: April 09, 2022</p>	<p>Private Companies: Nil</p> <p>Public Companies: Nil</p> <p>Foreign Companies Nil</p>
<p>NEELAM BAHRI Designation: Non-Executive Independent Director DIN: 09545848 Date of Birth: May 07, 1959 Age: 65 years Occupation: Professional Address: 201/A, Hamilton Towers, Jalandhar I, Jalandhar, Punjab-144003 Nationality: Indian Original Date of Appointment: April 09, 2022</p>	<p>Private Companies: Nil</p> <p>Public Companies: Nil</p> <p>Foreign Companies Nil</p>
<p>ASHWANI KUMAR SHARMA Designation: Non-Executive Independent Director DIN: 10277499 Date of Birth: October 26, 1982 Age: 42 years Occupation: Professional Address: 53, Haibowal Kalan, Shakti Vihar, Ludhiana, Punjab, 141001 Nationality: Indian</p>	<p>Private Companies: Nil</p> <p>Public Companies: Nil</p> <p>Foreign Companies Nil</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships in Companies
Original Date of Appointment: August 12, 2023	

Brief Biographies of our Directors

Girish Kapoor

Girish Kapoor is the Managing Director of our Company. He is one of the Promoters of our Company. He has been associated with our Company since incorporation i.e. May 09, 1989. He holds a bachelor of arts degree from Punjab University. He has over 46 years of experience in the field of textile, knitting, fashion designing and quality control. He looks after the overall management of the day-to-day affairs of the Company.

Kusum Kapoor

Kusum Kapoor is the Additional (Whole-Time) Director of our Company. She is one of the Promoters of our Company. She holds a Bachelors of Arts Degree from Guru Nanak Dev University. She holds around 2 years of experience in the field of textiles.

Ramesh Kumar Sharma

Ramesh Kumar Sharma is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts from Punjab University, Ludhiana. He is having over 15 years of experience in the textile industry.

Neelam Bahri

Neelam Bahri is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in arts from Punjab University. She is having over 15 years of experience in the business and administration.

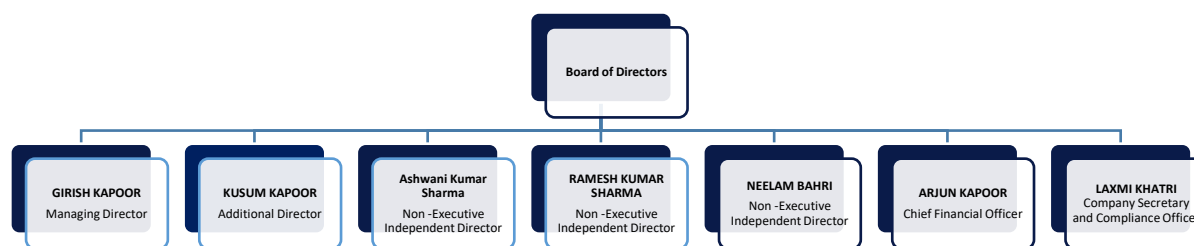
Ashwani Kumar Sharma

Ashwani Kumar Sharma is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in Arts from Punjab University. He is having over 10 years of experience in the textile industry.

Confirmations

- 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 Letter of Offer, 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, during the five (5) years preceding from the date of this Letter of Offer, during their term of directorship in such company.
- None of our Directors have been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.
- None of our Directors, have been identified as Wilful Defaulters or Fraudulent Borrowers.
- None of our Directors are declared as Fugitive Economic Offenders.
- None of our Directors are, in any manner, associated with the securities market.
- The present directors in our Board are not related to each other within the meaning of section 2(77) of the Companies Act, 2013.
- 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.
- Except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Management Organisation Structure



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of each of these committees are as follows:

Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on August 12, 2023, with the following members forming a part of the said committee:

Name	Designation	Chairman/Member
Ramesh Kumar Sharma	Non-Executive Independent Director	Chairperson
Neelam Bahri	Non-Executive Independent Director	Member
Ashwani Kumar Sharma	Non-Executive Independent Director	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The Role of Audit Committee, together with its powers, are as follows:

- oversight of our financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon 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 Section 134(3)(c) 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 exercise of judgment by the 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;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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 Issue document / Red Herring Prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of our Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of our Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, the Audit Committee shall mandatorily review the following:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

- Statement of deviations:
- Quarterly 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).

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on August 12, 2023. The members of the said committee are as follows:

Name	Designation	Chairman/Member
Ramesh Kumar Sharma	Non-Executive Independent Director	Chairperson
Neelam Bahri	Non-Executive Independent Director	Member
Ashwini Kumar Sharma	Non-Executive Independent Director	Member

- The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.
- The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management

Stakeholders' Relationship Committee

Pursuant to Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Committee oversees and reviews the redressal of investors' grievances pertaining to transfer of shares and dematerialization, re-materialization, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Company is in compliance with the SCORES, which has been initiated by SEBI for processing the investor complaints in a centralized web based redressal system and online redressal of all the shareholders complaints. Our Stakeholders Relationship Committee was last reconstituted on August 12, 2023. The members of the said committee are as follows:

Name	Designation	Chairman/Member
Ramesh Kumar Sharma	Non-Executive Independent Director	Chairperson
Neelam Bahri	Non-Executive Independent Director	Member
Ashwini Kumar Sharma	Non-Executive Independent Director	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

OUR KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel and Senior Management Personnel of our Company:

Details of Key Managerial Personnel and Senior Management Personnel

In addition to our Executive Directors, viz, Girish Kapoor whose details have been provided under paragraph above titled '*Brief Biographies of our Directors*', given below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Arjun Kapoor – Chief Financial Officer

Arjun Kapoor is the Chief Financial Officer of our Company. He has been associated with our Company since March 11, 2022. He holds a degree in bachelor of business administration from Punjab University, Chandigarh and also holds a degree in master of business administration from NMIMS Global Access School for Continuing Education.

Laxmi Khatri - Company Secretary and Compliance Officer

Laxmi Khatri, aged 31 years is Company Secretary & Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on May 31, 2023. She holds the degree of Company Secretary from Institute of Company Secretaries of India and has an experience of more than 5 years in secretarial compliances.

Relationship Between Key Management Personnel / Directors

Except as stated below, none of the Key Management Personnel / Directors are related to each other:

Key Management Personnel	Director/ Key Management Personnel	Relation
Arjun Kapoor	Girish Kapoor	Son-Father
Girish Kapoor	Kusum Kapoor	Husband-Wife
Arjun Kapoor	Kusum Kapoor	Son-Mother

Our Senior Management Personnel

As on date, apart from the Key Managerial Personnels, our Company has not designated any employee as Senior Management Personnel.



Status of each key managerial personnel, as a permanent employee or otherwise

All the Key Managerial Personnel of our Company are permanent employees.

OUR PROMOTERS

Our Promoters are Girish Kapoor and Kusum Kapoor. As on date of this Letter of Offer, our Promoters hold, in aggregate of 28,34,600 Equity Shares 56.04% of our issued, subscribed and paid-up equity share capital, respectively.

Brief Description of Promoters:

	<p>Girish Kapoor, aged 69 years. He is Chairman, Managing director and Promoter of the Company.</p> <p>Date of Birth: January 22, 1955</p> <p>Address: 82, Mall Road Opp. Session Judge House, Civil Lines, Ludhiana, Punjab 141001.</p> <p>For the complete profile of Girish Kapoor along with the details of his experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the section title “<i>Our Management - Brief profile of our Directors</i>” beginning on page 69 of this Prospectus.</p>
	<p>Kusum Kapoor, aged 63 years. She is the Additional (Whole-Time) Director and Promoter of the Company.</p> <p>Date of Birth: June 04, 1961</p> <p>Address: 82, Mall Road Opp. Session Judge House, Civil Lines, Ludhiana, Punjab 141001.</p> <p>Education Qualification: She holds a Bachelors of Arts Degree from Guru Nanak Dev University</p> <p>Experience in the business: She holds around 2 years of experience in the field of textiles.</p>

Confirmations

1. Our Promoters have not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoters have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters is and have

never been a promoters, director, or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Save and except as disclosed in “***Outstanding Litigations and Material Developments - Litigation involving our Promoters***” on page **130**, there are no litigation or legal action pending or taken by any Ministry, Department of the Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoters.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Summary Statements, see chapter titled "***Financial Information***" at page 79 of this Letter of Offer. For details of the related party transactions, during the financial period disclosed in this DLOF, as per the requirements under the Ind AS 24 and as reported in the Financial Statements, see chapter titled "***Financial Information***" at page 79 of this Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to working capital requirements, profit earned during the Fiscal, capital expenditure requirements, cash flow to meet contingencies, liquidity, and applicable taxes payable by our Company. 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 may enter into to finance our fund requirements for our business activities.

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 Letter of Offer 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 in last five years.

SECTION V – FINANCIAL INFORMATION
RESTATED FINANCIAL STATEMENTS

Particulars	Page No.
Restated Financial Statements for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022	80-116
Limited review Report for period ending June 30, 2024	117-118
Limited review Report for period ending June 30, 2023	119-120

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

**The Board of Directors,
LWS Knitwear Limited,
Ludhiana**

Dear Sirs,

1. We have examined the attached Restated Financial Information of LWS Knitwear Limited (the "Company") comprising –
 - (a) Restated Statement of Assets and Liabilities as at March 31st, 2024, 2023 and 2022, the Restated Statement of Profit and Loss and Other Comprehensive Income, the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31st, 2024, 2023, and 2022 and the summary statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 26, 2024 for the purpose of inclusion in the Draft Letter of Offer / Letter of Offer ("Offer Documents") prepared by the Company in connection with its proposed Rights Issue of Equity Shares of the Company (the "Issue") prepared in terms of the requirements of the –
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019), issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information which have been approved by the board of directors, for the purpose of inclusion in the Offer Documents to be filed with BSE Limited, in connection with the proposed Rights Issue. The Restated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Note 2.1 of the Significant Accounting Policies to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

Auditors' Responsibilities

3. We have examined these 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 September 28, 2023 and addendum to our engagement letter dated November 8, 2023 in connection with the proposed Rights Issue of equity shares of the Company;
 - (b) The Guidance Note 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;
 - (d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Rights Issue.
4. These Restated Financial Information have been compiled by the Management of the Company from –
 - (a) the Audited Financial Statements of the Company as at and for the years ended March 31, 2024, 2023, and 2022 prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on May 29, 2024, May 27, 2023 and May 14, 2022, respectively;

5. For the purpose of our examination, we have relied on –
 - (a) Auditor's Reports issued by us dated May 29, 2024 on the Audited Financial Statements of the Company for the years ended March 31, 2024 respectively as referred in paragraph 4 above.
 - (b) Auditor's Reports issued by previous auditors dated May 30, 2023 and May 14, 2022 on the Audited Financial Statements of the Company for the years ended March 31, 2023, and 2022, respectively as referred in paragraph 4 above.

Opinion

6. Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by other auditors on their audit of financial statements as mentioned above we report that the Restated Financial Information –
 - (a) Have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, if any, and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and groupings / classifications as at and for the period ended March 31, 2024;
 - (b) Does not require any adjustment for modification as there is no modification in the underlying audit reports;
 - (c) Have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;
7. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to March 31, 2024.
8. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Financial Statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

11. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with BSE Limited in connection with the Proposed Issue. 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 Parmod G. Gupta & Associates

Chartered Accountants

Firm Registration No. – 018870N

Sd/-

Parmod Gupta

Partner

Membership No. – 096109

UDIN – 24096109BKDSGK5720

Ludhiana

September 26, 2024

LWS Knitwear Limited

Restated Statement of Assets and Liabilities

(Amount in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Notes	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
I	<u>ASSETS</u>				
1	<u>Non-Current Assets</u>				
(a)	<u>Property, Plant and Equipment and Intangible Assets</u>				
	(i) Property, Plant and Equipment	3	23.46	29.96	39.52
	(b) Deferred Tax Asset	4	1.44	1.81	-
	(c) Other Non-Current Assets	5	19.61	14.50	14.50
	Sub-Total		44.51	46.27	54.02
2	<u>Current Assets</u>				
(a)	Inventories	6	1,483.66	869.29	945.07
(b)	<u>Financial Assets</u>				
	(i) Trade Receivables	7	2,293.47	3,195.29	1,233.49
	(ii) Cash & Cash Equivalents	8	41.36	87.87	13.86
	(c) Other Current Assets	9	453.91	835.47	969.09
	Sub-Total		4,272.40	4,987.92	3,161.51
	Total Assets		4,316.91	5,034.19	3,215.53
II	<u>EQUITY AND LIABILITIES</u>				
1	<u>Equity</u>				
(a)	Equity Share Capital	10	505.84	505.84	505.84
(b)	Other Equity	11	712.74	572.79	543.61
	Total Equity		1,218.58	1,078.63	1,049.45
2	<u>Liabilities</u>				
1	<u>Non-Current Liabilities</u>				
(a)	<u>Financial Liabilities</u>				
	(i) Borrowings	12	1,392.08	1,038.68	109.54
	(b) Deferred Tax Liability	13	-	-	0.79
	Sub-Total		1,392.08	1,038.68	110.33
2	<u>Current Liabilities</u>				
(a)	<u>Financial Liabilities</u>				
	(i) Borrowings	14	555.80	558.30	390.16
	(ii) <u>Trade Payables</u>	15			
	(1) Dues to MSME		367.14	-	-
	(2) Dues to Other than MSME		708.16	2,335.86	1,585.81
	(iii) Other Financial Liabilities	16	5.69	1.10	3.48
(b)	Other Current Liabilities	17	18.59	11.10	65.99
(c)	Current Tax Liabilities (Net)	18	50.87	10.52	10.31
	Sub-Total		1,706.25	2,916.88	2,055.75
	Total Equity & Liabilities		4,316.91	5,034.19	3,215.53
	Summary of Significant Accounting Policies	2			
<p>The accompanying notes are the integral part of the Financial Statements</p>					
<p>For Parmod G Gupta & Associates Chartered Accountants Firm Registration No. - 018870N</p>			<p>For and on behalf of the Board</p>		
<p>Sd/-</p>			<p>Sd/-</p>		
<p>Parmod Gupta Partner Membership No. - 096109</p>			<p>Girish Kapoor Managing Director DIN - 01870917</p>		<p>Arjun Kapoor CFO DIN - 08632086</p>
<p>Ludhiana September 26, 2024</p>			<p>Sd/-</p>		
			<p>Laxmi Khatri Company Secretary</p>		

LWS Knitwear Limited

Restated Statement of Profit and Loss (Amount in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Notes	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
I	Continuing Operations				
1	Revenue from Operations	19	7,513.45	6,261.52	6,175.63
2	Other Income	20	0.02	0.11	-
	Total		7,513.47	6,261.63	6,175.63
II	Expenses				
1	Purchase of Stock in Trade	21	7,759.63	6,023.90	5,997.17
2	(Increase) / Decrease in Inventories	22	(614.37)	75.78	70.13
3	Employee Benefits Expenses	23	14.10	18.86	15.15
4	Finance Costs	24	117.34	72.64	27.43
5	Depreciation and Amortization Expenses	25	9.23	10.04	10.38
6	Other Expenses	26	30.34	23.12	20.04
	Total		7,316.27	6,224.34	6,140.30
III	Restated Profit before Tax & Exceptional Items (I - II)		197.20	37.29	35.33
IV	Exceptional items		-	-	-
V	Restated Profit before Tax (III - IV)		197.20	37.29	35.33
VI	Tax Expense				
1	Current Tax		55.63	10.52	10.31
2	Deferred Tax		0.37	(2.60)	(1.03)
3	Earlier Year Tax Adjustments		1.25	-	-
	Total Tax Expense (1 + 2 + 3)		57.25	7.92	9.28
VII	Restated Profit for the year from Continuing Operations (V - VI)		139.95	29.37	26.05
VIII	Other Comprehensive Income				
(a)	Items that will not to be reclassified to Statement of Profit or Loss		-	-	-
(b)	Income Tax Effect		-	-	-
IX	Other Comprehensive Income for the Year, Net of Tax		-	-	-
X	Restated Total Comprehensive Income of the Year, net of Tax (VII + IX)		139.95	29.37	26.05
XI	Restated Earnings per Share				
1	Basic & Diluted	29	2.77	0.58	0.51
	Summary of Significant Accounting Policies	2			
<i>The accompanying notes are the integral part of the Financial Statements</i>					
For Parmod G Gupta & Associates Chartered Accountants Firm Registration No. - 018870N Sd/- Parmod Gupta Partner Membership No. - 096109 Ludhiana September 26, 2024			For and on behalf of the Board Sd/- Sd/- Girish Kapoor Arjun Kapoor Managing Director CFO DIN - 01870917 DIN - 08632086 Sd/- Laxmi Khatri Company Secretary		

LWS Knitwear Limited

Restated Statement of Cash Flows

(Amount in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
I	Cash Flow from Operating Activities			
A	Profit before tax from continuing operations	197.20	37.29	35.33
B	Adjustment to reconcile profit before tax to net cash flows			
1	<u>Non-Cash Adjustments</u>			
(i)	Depreciation and Amortisation Expenses	9.23	10.04	10.38
(ii)	Interest Paid	112.14	72.01	26.14
(iii)	Interest Paid - Others	1.46	0.58	0.13
C	Operating Profit before Working Capital Changes	320.03	119.92	71.98
1	(Increase)/ Decrease in Trade Receivables	901.82	(1,961.80)	(204.50)
2	(Increase)/ Decrease in Inventories	(614.37)	75.79	70.13
3	(Increase)/Decrease in Other Current Assets	381.56	133.62	(787.19)
4	(Increase)/Decrease in Non Current Assets	(5.11)	-	1.00
5	Increase/(Decrease) in Trade Payables	(1,260.56)	750.05	154.40
6	Increase/(Decrease) in Other Current Liabilities	7.49	(54.89)	(98.64)
7	Increase/(Decrease) in Other Financial Liabilities	5.07	(2.14)	1.16
8	Increase/(Decrease) in Provisions	40.35	0.21	1.14
D	Cash Generated from Operations	(223.72)	(939.24)	(790.52)
1	Income Tax Paid	(55.63)	(10.52)	(10.31)
2	Previous Year Tax Adjustments	(1.25)	(3.55)	(1.61)
	Net Cash Generated from Operating Activities	(280.60)	(953.31)	(802.44)
II	Cash Flows from Investing Activities			
1	Purchase of Property, Plant and Equipment	(2.73)	(0.57)	-
2	Proceeds from Sale of Property, Plant & Equipment	-	3.44	-
3	Proceeds from Sale of Non Current Investments	-	-	369.25
	Net Cash from Investing Activities	(2.73)	2.87	369.25
III	Cash Flows from Financing Activities			
1	Proceeds from Short Term Borrowings (Net)	(2.50)	168.14	390.16
2	Proceeds from Long Term Borrowings (Net)	353.40	929.14	54.74
3	Interest Paid	(114.08)	(72.83)	(26.80)
	Net Cash from Financing Activities	236.82	1,024.45	418.10
	Net Increase in Cash and Cash Equivalents (I + II + III)	(46.51)	74.01	(15.09)
	OPENING CASH AND CASH EQUIVALENTS	87.87	13.86	28.95
	CLOSING CASH AND CASH EQUIVALENTS	41.36	87.87	13.86

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
	Components of Cash and Cash Equivalents			
1	<u>Balances with banks</u>			
	In Current Account	16.75	12.29	2.40
2	Cash In Hand	24.61	75.58	11.46
	Total Cash and Cash Equivalents	41.36	87.87	13.86

For Parmod G Gupta & Associates

Chartered Accountants

Firm Registration No. - 018870N

Sd/-

Parmod Gupta

Partner

Membership No. - 096109

Ludhiana

September 26, 2024

For and on behalf of the Board

Sd/-

Girish Kapoor
Managing Director
DIN - 01870917

Sd/-

Arjun Kapoor
CFO
DIN - 08632086

Sd/-

Laxmi Khatri
Company Secretary

LWS Knitwear Limited

Restated Statement of Changes in Equity (Amount in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Share Capital	Other Equity		Total Reserves and Surplus	Total equity
			Retained Earnings	Security Premium Reserve		
			(1)	(2)		
1	As at 01.04.2021	505.84	499.17	20.00	519.17	1,025.01
(a)	Add: Profit for the year	-	26.05	-	26.05	26.05
(b)	Add / (Less): Other Adjustments	-	(1.61)	-	(1.61)	(1.61)
2	As at 31.03.2022	505.84	523.61	20.00	543.61	1,049.45
(a)	Add: Profit for the year	-	29.37	-	29.37	29.37
(b)	Add / (Less): Other Adjustments	-	(0.19)	-	(0.19)	(0.19)
3	As at 31.03.2023	505.84	552.79	20.00	572.79	1,078.63
(a)	Add: Profit for the year	-	139.95	-	139.95	139.95
(b)	Add / (Less): Other Adjustments	-	-	-	-	-
4	As at 31.03.2024	505.84	692.74	20.00	712.74	1,218.58
<p>For Parmod G Gupta & Associates Chartered Accountants Firm Registration No. - 018870N</p> <p>Sd/-</p> <p>Parmod Gupta Partner Membership No. - 096109</p> <p>Ludhiana September 26, 2024</p>			<p>For and on behalf of the Board</p> <p>Sd/-</p> <p>Girish Kapoor Managing Director DIN - 01870917</p> <p>Sd/-</p> <p>Arjun Kapoor CFO DIN - 08632086</p> <p>Sd/-</p> <p>Laxmi Khatri Company Secretary</p>			

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

LWS Knitwear Limited ("the Company") is a **Public Limited Company** domiciled in India and incorporated on **May 09, 1989** under the provision of **Companies Act, 1956** vide **CIN - L17115PB1989PLC009315** and is listed on the **Bombay Stock Exchange** of India vide ISIN – INE281M01013. The Registered Office of the Company is located at **G.T. Road (West), Ludhiana – 141 008**. The Company is presently engaged in activities spanning across knitted cloth, hosiery goods and readymade garments.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS

The Financial Statement of LWS Knitwear Limited (the "Company"), comprises of the –

- Restated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Statement of Profit and Loss and Other Comprehensive Income, the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2024, 2023 and 2022;
- And the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Financial Information"), for the purpose of inclusion in the Letter of Offer (the "LOF") prepared by the Company in connection with its proposed Rights Issue of equity shares of the Company (the "Issue") prepared in terms of the requirements of –
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019), issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note").

The Restated Financial Statements, as the case may be, comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

These Financial Statements have been compiled by the Management from the audited Financial Statements of the Company as at and for the years ended March 31, 2024, 2023 and 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended, from time to time and other accounting principles generally accepted in India.

These Financial Statements do not reflect the effects of events that occurred subsequent to the date of the respective financial statements.

The Restated Consolidated Financial Statements –

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the years ended March 31, 2023 and 2022 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the year ended March 31, 2024.
- do not require any adjustment for modification as there is no modification in the underlying audit reports

The Restated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The Restated Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest **Lakhs** except wherever otherwise stated.

2.2 Summary of Significant Accounting Policies

(A) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified **twelve months** as its operating cycle.

(B) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that entity can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the Restated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

(C) Foreign Currency

(i) Functional and Presentation Currency

The Restated Financial Statements of the Company are presented using Indian Rupee (Rs.), which is also our functional currency i.e. currency of the primary economic environment in which the company operates.

(ii) Transactions and Balances

Foreign currency transactions are translated into the respective functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(D) Property, Plant and Equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, Plant and Equipment acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress". (Also refer to policies on leases, borrowing costs, impairment of assets and foreign currency transactions).

Depreciation is recognised using **Straight Line Method** so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic-benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to / deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

(E) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".

Intangible assets are amortised on Straight-Line Basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

(F) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely, independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI upto the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate; and when circumstances indicate that the carrying value may be impaired.

(G) Non-Current Assets Held For Sale

The Company classifies non-current assets and disposal groups as 'Held For Sale' if their carrying amounts will be recovered principally through a sale rather than through continuing use and sale is highly probable i.e. actions required to complete the sale indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, Plant and Equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(H) Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

(I) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(J) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the Restated Financial Statements.

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

(K) Investment Property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using Straight-Line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

(L) Inventories

Inventories which comprise raw material, work in progress, finished goods, traded goods and stores and spares are valued at the lower of cost and net realisable value.

The basis of determining costs for various categories of inventories is as follows:

(i) Raw materials, Components and Stores and Spares

Lower of cost and net realizable value. Cost ascertained on Weighted Average basis includes all the purchase price, duties and taxes which are not recoverable from government authorities, freight inwards and other expenditure directly attributable to the acquisition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Stores and Spares

It includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. realization

(iii) Work-In-Progress and Manufactured Finished Goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

(iv) Traded Goods

Lower of cost and net realizable value. Cost ascertained on Weighted Average basis includes all the purchase price, duties and taxes which are not recoverable from government authorities, freight inwards and other costs incurred in bringing to their present location and condition.

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Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(M) Leases

(i) Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1) Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a Straight-Line basis from the commencement date to the end of lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as mentioned in the Impairment of non-financial assets section of the accounting policies of the company.

2) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

3) Short Term Leases and Leases of Low Value of Assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(ii) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(N) Financial Instruments

(i) Initial Recognition

Financial instruments i.e. Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of

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Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

financial instruments (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial instruments, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

(ii) **Financial Assets**

Subsequent Measurement

All recognised financial assets are subsequently measured at amortized cost using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through Other Comprehensive Income (FVOCI).

1) Equity Investments in Subsidiaries, Associates and Joint Venture

The Company accounts for its investment in subsidiaries, joint ventures and associates and other equity investments in subsidiary companies at cost in accordance with Ind AS 27 - 'Separate Financial Statements'.

2) Equity Investments (other than investments in subsidiaries, associates and joint venture)

All equity investments falling within the scope of **Ind-AS 109** are mandatorily measured at Fair Value through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss.

The Company has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable.

If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Statement of Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

3) Investment in Preference Shares

Investment in preference shares are classified as debt instruments and carried at amortised cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as debt instruments are carried at FVTPL.

Investment in convertible preference shares of subsidiary, associate and joint venture companies are treated as equity instruments and carried at cost. Other Investment in convertible preference shares which are classified as equity instruments are mandatorily carried at FVTPL.

4) De-recognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and with that –

- a) the Company has transferred substantially all the risks and rewards of the asset, or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

5) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. **Ind AS 109** requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables and/or contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(iii) **Financial Liabilities**

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

Subsequent measurement

The company have all the borrowings at floating interest rate. Being variable interest rate, it is not possible to estimate future cash flows. Borrowings are recognised initially at an amount equal to the principal receivable or payable on maturity. So, re-estimating the future cash flows has no significant impact on the carrying value of Borrowings. Transaction costs are not material to be included in the EIR calculation. So the carrying value is being considered as amortised cost for all the borrowings bearing a floating interest rate. For trade and other payables maturing within one year from the balance sheet date, the carrying are Amortised Cost.

Financial Liabilities recognised at FVTPL, including derivatives, are subsequently measured at fair value.

1) Compound Financial Instruments

Compound financial instruments issued by the company is an instrument which creates a financial liability on the issuer and which can be converted into fixed number of equity shares at the option of the holders.

Such instruments are initially recognised by separately accounting the liability and the equity components. The liability component is initially recognised at the fair value of a comparable liability that does not have an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequently.

2) Financial Guarantee Contracts

Financial guarantee contracts are initially recognised as a liability at fair value. The liability is subsequently measured at carrying amount less amortization or amount of loss allowance determined as per impairment requirements of **Ind AS 109**, whichever is higher. Amortisation is recognised as finance income in the Statement of Profit and Loss.

3) De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Re-classification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets, such as equity instruments designated at FVTPL or FVOCI and financial liabilities or financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

O) Revenue Recognition

(i) Revenue

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

1) Sale of Products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods & Service Tax (GST) on behalf of the

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Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Variable consideration includes trade discounts, volume rebates and incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjusts estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

2) Insurance & Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ii) Contract Balances

1) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets represent revenue recognized in excess of amounts billed and include unbilled receivables. Unbilled receivables, which represent an unconditional right to payment subject only to the passage of time, are reclassified to accounts receivable when they are billed under the terms of the contract.

2) Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

3) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Contract liabilities include unearned revenue which represent amounts billed to clients in excess of revenue recognized to date and advances received from customers. For contracts where progress billing exceeds, the aggregate of contract costs incurred to date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as unearned revenue. Amounts received before the related work is performed are disclosed in the balance sheet as contract liability and termed as advances received from customers.

P) Interest Income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "**Other Income**" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "**Other Income**" in the statement of profit and loss.

Q) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

(i) **Borrowing Cost under Service Concession Arrangements**

Borrowing costs attributable to the construction of qualifying assets under service concession arrangement classified as intangible asset, are capitalised to the date of its intended use.

Borrowing costs attributable to concession arrangement classified as financial assets are charged to Statement of Profit and Loss in the period in which such costs are incurred.

(ii) Other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

R) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated as at the balance sheet date. Provisions are measured based on management's estimate required to settle the obligation at the balance sheet date and are discounted using a rate that reflects the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Other Litigation Claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

S) **Taxes**

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate and changes in deferred tax assets and liabilities attributable to temporary differences. The current income tax charge is calculated in accordance with the provisions of the Income Tax Act 1961.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and brought forward losses only if it is probable that future taxable profit will be available to realise the temporary differences.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

T) **Employee Benefits**

(i) **Short-Term obligations**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. These are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **Post-Employment obligations i.e.**

- Defined benefit plans and
- Defined contribution plans

Defined Benefit Plans

The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

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(Amount in ₹ Lakhs, unless otherwise stated)

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined Contribution Plans

The Company's contribution to provident fund, employee state insurance scheme, superannuation fund and National Pension Scheme (NPS) are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

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Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment and Intangible Assets
3.1 The carrying value of Property, Plant and Equipment -

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	<u>Plant & Machinery</u>			
(a)	Machinery	4.62	5.57	6.52
2	<u>Miscellaneous Assets</u>			
(a)	Computer & Printers	1.83	0.13	0.01
(b)	Vehicles	15.29	23.05	31.86
(c)	Mobile Phones	0.52	0.79	1.06
(d)	Furniture & Fixture	1.20	0.42	0.05
(e)	Office Equipments	-	-	0.01
(f)	Water Cooler	-	-	0.01
	Total	23.46	29.96	39.52

3.2 Property, Plant and Equipment and Intangible Assets

S. No.	Particulars	Plant and Machinery	Computer	Vehicles	Mobile Phones	Furniture & Fixture	Office Equipments	Water Cooler	Total
A	GROSS BLOCK								
1	As at 01.04.2021	52.61	0.28	76.37	1.44	0.95	1.95	0.26	133.86
(a)	Additions	-	-	-	-	-	-	-	-
(b)	Disposals	-	-	-	-	-	-	-	-
2	As at 31.03.2022	52.61	0.28	76.37	1.44	0.95	1.95	0.26	133.86
(a)	Additions	-	0.14	-	-	0.42	-	-	0.56
(b)	Disposals	-	(0.28)	-	-	(0.95)	(1.95)	(0.26)	(3.44)
3	As at 31.03.2023	52.61	0.14	76.37	1.44	0.42	-	-	130.98
(a)	Additions	-	1.84	-	-	0.89	-	-	2.73
(b)	Disposals	-	-	-	-	-	-	-	-
4	As at 31.03.2024	52.61	1.98	76.37	1.44	1.31	-	-	133.71
B	ACCUMULATED DEPRECIATION								
1	As at 01.04.2021	45.14	0.27	35.44	0.11	0.90	1.85	0.25	83.96
(a)	Charge for the year	0.95	-	9.07	0.27	-	0.09	-	10.38
(b)	Disposals	-	-	-	-	-	-	-	-
2	As at 31.03.2022	46.09	0.27	44.51	0.38	0.90	1.94	0.25	94.34
(a)	Charge for the year	0.95	0.01	8.81	0.27	-	-	-	10.04
(b)	Disposals	-	(0.27)	-	-	(0.90)	(1.94)	(0.25)	(3.36)
3	As at 31.03.2023	47.04	0.01	53.32	0.65	-	-	-	101.02
(a)	Charge for the year	0.95	0.14	7.76	0.27	0.11	-	-	9.23
(b)	Disposals	-	-	-	-	-	-	-	-
4	As at 31.03.2024	47.99	0.15	61.08	0.92	0.11	-	-	110.25
C	NET BLOCK								
1	As at 31.03.2024	4.62	1.83	15.29	0.52	1.20	-	-	23.46
2	As at 31.03.2023	5.57	0.13	23.05	0.79	0.42	-	-	29.96
3	As at 31.03.2022	6.52	0.01	31.86	1.06	0.05	0.01	0.01	39.52

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LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

4 Deferred Tax Asset				
S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Opening Balance	1.81	-	-
(a)	Add - On account of Depreciation	(0.37)	1.81	-
	Total	1.44	1.81	-

5 Other Non-Current Assets				
S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Advance to Suppliers	4.50	14.50	14.50
2	Miscellaneous expenditure to the extent not written off	15.11	-	-
	Total	19.61	14.50	14.50

6 Inventories				
S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Finished Goods	1,483.66	869.29	945.07
	Total	1,483.66	869.29	945.07

7 Trade Receivables				
S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Trade Receivables	2,061.36	2,857.44	739.22
2	Receivables from Related Parties	232.11	337.85	494.27
	Total	2,293.47	3,195.29	1,233.49

7.1 Trade receivables are non-interest bearing and are generally on terms of not more than 60-90 days.

7.2 Trade Receivables Ageing

7.2.1 As at 31.03.2024

S. No.	Particulars	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
1	Undisputed Trade Receivables						
(a)	Considered Good	1,769.92	2.24	-	78.39	442.92	2,293.47
(b)	Credit Impaired	-	-	-	-	-	-
2	Disputed Trade Receivables						
(a)	Considered Good	-	-	-	-	-	-
(b)	Credit Impaired	-	-	-	-	-	-
	Total	1,769.92	2.24	-	78.39	442.92	2,293.47

7.2.2 As at 31.03.2023

S. No.	Particulars	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
1	Undisputed Trade Receivables						
(a)	Considered Good	2,058.06	139.08	177.78	212.73	607.65	3,195.29
(b)	Credit Impaired	-	-	-	-	-	-
2	Disputed Trade Receivables						
(a)	Considered Good	-	-	-	-	-	-
(b)	Credit Impaired	-	-	-	-	-	-
	Total	2,058.06	139.08	177.78	212.73	607.65	3,195.29

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

7.2.3 As at 31.03.2022

S. No.	Particulars	Outstanding for following period from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
1	<u>Undisputed Trade Receivables</u>						
(a)	Considered Good	695.82	-	256.09	76.43	205.16	1,233.49
(b)	Credit Impaired	-	-	-	-	-	-
2	<u>Disputed Trade Receivables</u>						
(a)	Considered Good	-	-	-	-	-	-
(b)	Credit Impaired	-	-	-	-	-	-
	Total	695.82	-	256.09	76.43	205.16	1,233.49

8 Cash and Cash Equivalents

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	<u>Balances with Banks -</u>			
(a)	In Current Account*	16.75	12.29	2.40
2	Cash In Hand	24.61	75.58	11.46
	Total	41.36	87.87	13.86

* Includes Cheque under clearance for F. Y. 2023-24 ₹16.44 Lakhs (Previous Year - Nil)

9 Other Current Assets

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Advances to Related Parties	265.46	588.33	21.72
2	Advances to Others	170.16	239.23	929.99
3	Duties & Taxes	17.24	7.43	16.89
4	Misc. Receivables	1.05	0.48	0.49
	Total	453.91	835.47	969.09

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LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

10 Share Capital

10.1 Details of Share Capital :

S. No.	Particulars	No. of Shares	As at 31.03.2024	No. of Shares	As at 31.03.2023	No. of Shares	As at 31.03.2022
1	Authorised Share Capital						
(a)	Equity Shares of ₹10/- each	1,55,00,000	1,550.00	55,00,000	550.00	55,00,000	550.00
		1,55,00,000	1,550.00	55,00,000	550.00	55,00,000	550.00
2	Issued, Subscribed & Paid Up						
(a)	Equity Shares of ₹10/- each	50,58,400	505.84	50,58,400	505.84	50,58,400	505.84
		50,58,400	505.84	50,58,400	505.84	50,58,400	505.84

10.2 Reconciliation of authorised, issued, subscribed and paid up share capital:

10.2.1 Reconciliation of authorised share capital as at year end :

S. No.	Particulars	Equity Shares	
		No. of shares	Amount
1	As at 01.04.2021	55,00,000	550.00
(a)	Increase/(decrease) during the year	-	-
2	As at 31.03.2022	55,00,000	550.00
(a)	Increase/(decrease) during the year	-	-
3	As at 31.03.2023	55,00,000	550.00
(a)	Increase/(decrease) during the year	1,00,00,000	1,000.00
4	As at 31.03.2024	1,55,00,000	1,550.00

10.2.2 Reconciliation of issued, subscribed and paid up share capital as at year end:

S. No.	Particulars	Equity Shares	
		No. of shares	Amount
	Equity shares of INR 10 each issued, subscribed and fully paid		
1	As at 01.04.2021	50,58,400	505.84
(a)	Issued during the year	-	-
2	As at 31.03.2022	50,58,400	505.84
(a)	Issued during the year	-	-
3	As at 31.03.2023	50,58,400	505.84
(a)	Issued during the year	-	-
4	As at 31.03.2024	50,58,400	505.84

10.3 Terms/ Rights attached to Equity Shares:

- 10.3.1 The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 10.3.2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

10.4 Details of shareholders holding more than 5% shares in the company

S. No.	Name of the Shareholders	As at 31.03.2024		As at 31.03.2023		As at 31.03.2022	
		No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
1	Girish Kapoor	7,74,700	15.32%	7,74,700	15.32%	7,74,700	15.32%
2	Kusum Kapoor	20,59,900	40.72%	20,59,900	40.72%	20,59,900	40.72%

10.5 As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

10.6 Details of shares held by Promoters

10.6.1 As at 31.03.2024

S. No.	Promoter Name	No. of shares as at 01.04.2023	% of Total Shares	No. of shares as at 31.03.2024	% of Total Shares	% change during the period
1	Girish Kapoor	7,74,700	15.32%	7,74,700	15.32%	0.00%
2	Kusum Kapoor	20,59,900	40.72%	20,59,900	40.72%	0.00%
	Total	28,34,600	56.04%	28,34,600	56.04%	

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

10.6.2 As at 31.03.2023

S. No.	Promoter Name	No. of shares as at 01.04.2022	% of Total Shares	No. of shares as at 31.03.2023	% of Total Shares	% change during the year
1	Girish Kapoor	7,74,700	15.32%	7,74,700	15.32%	0.00%
2	Kusum Kapoor	20,59,900	40.72%	20,59,900	40.72%	0.00%
	Total	28,34,600	56.04%	28,34,600	56.04%	

10.6.3 As at 31.03.2022

S. No.	Promoter Name	No. of shares as at 01.04.2021	% of Total Shares	No. of shares as at 31.03.2022	% of Total Shares	% change during the year
1	Girish Kapoor	7,74,700	15.32%	7,74,700	15.32%	0.00%
2	Kusum Kapoor	20,59,900	40.72%	20,59,900	40.72%	0.00%
	Total	28,34,600	56.04%	28,34,600	56.04%	

10.7 Number of shares are presented in absolute figures.

10.8 There are no shares issued under the Employee Stock Option Plan or by way of bonus shares or pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the balance sheet date.

10.9 There are no shares which are bought back by the company during the period of five years immediately preceding the balance sheet date.

11 Other Equity

11.1 Reconciliation of Other equity

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Securities Premium Reserve	20.00	20.00	20.00
2	Retained Earnings	692.74	552.79	523.61
	Total	712.74	572.79	543.61

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LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

12 Borrowings - Non-Current

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Secured Loans			
(a)	Term Loans			
(i)	Loan against Property (LAP)	338.96	356.04	-
(ii)	Vehicle Loan	53.56	26.44	36.41
(iii)	Business Loan	29.98	-	-
2	Unsecured Loans			
(a)	From Directors	969.58	656.20	73.13
	Total	1,392.08	1,038.68	109.54

12.1 Loan from Banks

- 12.1.1 Deutsche Bank has sanctioned Loan against Property and has charge over immovable property owned by Mrs. Kusum Kapoor. The said loan is repayable in 180 monthly installments. The loans carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time. The said loan is secured against the personal guarantee of Mr. Girish Kapoor, Mr. Arjun Kapoor & Mrs. Kusum Kapoor.
- 12.1.2 Axis Bank Limited has sanctioned Vehicle Loan to the company and has exclusive charge over Fixed Assets financed by the bank. The loan is repayable in 59 equated monthly installments. The loans carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time.
- 12.1.3 Tata Capital Financial Services Limited and Moneywise Financial Services Private limited have sanctioned Business Loans to the company and is repayable over 24 to 36 equated monthly installments. The loans carries interest rate as mentioned in the respective sanction letters subject to revision from time to time. The said loans are secured against the personal guarantee of Mr. Girish Kapoor, Mr. Arjun Kapoor & Mrs. Kusum Kapoor.

12.2 Unsecured Loan from Directors

- 12.2.1 Unsecured Loan is repayable as demanded by the lender.

13 Deferred Tax Liability

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Opening Balance	-	0.79	1.82
(a)	Add - On account of Depreciation	-	(0.79)	(1.03)
	Total	-	-	0.79

14 Borrowings - Current

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Secured Loans			
(a)	Loans Repayable on Demand			
(i)	From Banks	500.17	546.53	372.18
(b)	Current Maturities of Long Term Debt	55.63	11.77	17.98
	Total	555.80	558.30	390.16

- 14.1 Working Capital Limits are availed from Deutsche Bank by way of Overdraft Limit. The said limit is secured against the immovable property owned by Kusum Kapoor. The working capital limit is repayable on demand and carries interest rate as mentioned in the respective sanction letter of the bank subject to revision from time to time. The said loan is secured against the personal guarantee of Mr. Girish Kapoor, Mr. Arjun Kapoor & Mrs. Kusum Kapoor.

15 Trade Payables

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Dues to MSME	367.14	-	-
2	Dues to Other than MSME	708.16	2,335.86	1,585.81
	Total	1,075.30	2,335.86	1,585.81

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

15.1 Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

15.2 Trade Payables Ageing Schedule

15.2.1 As at 31.03.2024

S. No.	Particulars	Outstanding for following period from due date of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Undisputed Trade Payables					
(a)	Dues to MSME	367.14	-	-	-	367.14
(b)	Dues to Other than MSME	405.33	-	-	302.83	708.16
2	Disputed Trade Payables					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	-	-	-	-	-
	Total	772.47	-	-	302.83	1,075.30

15.2.2 As at 31.03.2023

S. No.	Particulars	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Undisputed Trade Payables					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	1,722.58	-	576.10	37.18	2,335.86
2	Disputed Trade Payables					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	-	-	-	-	-
	Total	1,722.58	-	576.10	37.18	2,335.86

15.2.3 As at 31.03.2022

S. No.	Particulars	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Undisputed Trade Payables					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	962.45	577.71	22.34	23.32	1,585.81
2	Disputed Trade Payables					
(a)	Dues to MSME	-	-	-	-	-
(b)	Dues to Other than MSME	-	-	-	-	-
	Total	962.45	577.71	22.34	23.32	1,585.81

16 Other Financial Liabilities

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Interest Accrued But Not Due	3.70	0.44	0.63
2	Due to Employees	1.99	0.66	2.85
	Total	5.69	1.10	3.48

17 Other Current Liabilities

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Statutory Dues Payable	9.86	1.71	6.00
2	Advances recoverable in cash or kind	0.02	-	-
3	Other Payables	8.71	9.39	59.99
	Total	18.59	11.10	65.99

18 Current Tax Liabilities (Net)

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Provision for Income Tax	50.87	10.52	10.31
	Total	50.87	10.52	10.31

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

19 Revenue from Operations

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Sale of Products	7,513.45	6,261.52	6,175.63
	Total	7,513.45	6,261.52	6,175.63

20 Other Income

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Rebate & Discount	-	0.11	-
2	Miscellaneous Income	0.02	-	-
	Total	0.02	0.11	-

21 Purchase of Stock in Trade

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Purchase Goods	7,759.63	6,023.90	5,997.17
	Total	7,759.63	6,023.90	5,997.17

22 (Increase) / Decrease in Inventories

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
A	Inventories At The Beginning Of The Year Stock Of Finished Goods / Traded Goods	869.29	945.07	1,015.20
B	Inventories At The End Of The Year Stock Of Finished Goods / Traded Goods	1,483.66	869.29	945.07
	(Increase) / Decrease in Inventories	(614.37)	75.78	70.13

23 Employee Benefits Expenses

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Salaries	11.70	16.46	12.75
2	Directors Remuneration	2.40	2.40	2.40
	Total	14.10	18.86	15.15

24 Finance Costs

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Bank Charges	3.74	0.05	1.16
2	Bank Interest	112.14	72.01	26.14
3	Interest to Others	1.46	0.58	0.13
	Total	117.34	72.64	27.43

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

25 Depreciation and Amortization Expenses

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Depreciation	9.23	10.04	10.38
	Total	9.23	10.04	10.38

26 Other Expenses

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Audit Fee (Refer Note 26.1)	1.00	0.40	0.30
2	Advertisement Expenses	0.68	1.21	0.37
3	Brokerage & Commission	2.09	4.00	4.50
4	Fees & Taxes	5.96	-	0.04
5	Freight & Cartage	4.58	2.57	-
6	Insurance	0.95	0.94	1.02
7	Professional Expenses	3.94	6.58	7.61
8	Rebate & Discount	4.68	-	0.05
9	Rent	2.16	1.20	1.20
10	Vehicle Repair & Maintenance	0.33	3.16	3.17
11	Fine & Penalty	0.01	1.65	-
12	Loss from Partnership Firm	-	-	0.76
13	Miscellaneous Expenses*	3.96	1.41	1.02
	Total	30.34	23.12	20.04

* Does not include any item or expenditure with a value of more than ₹5 Lakhs.

26.1 Payments made to Auditor is as follows:

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	As Auditor			
(a)	Audit Fee	0.50	0.20	0.12
(b)	Tax Audit Fee	0.25	0.10	0.12
(c)	Other Services	0.25	0.10	0.06
	Total	1.00	0.40	0.30

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LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

27 Income Tax
27.1 Components Of Income Tax Expense

(a) Tax Expense recognized in Statement of Profit and Loss:

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Current Tax			
(a)	Current Year Income Tax Expense	55.63	10.52	10.31
(b)	Adjustments relating to Previous Years	1.25	-	-
	Sub-Total	56.88	10.52	10.31
2	Deferred Tax			
(a)	Relating to origination and reversal of Temporary Differences	0.37	(2.60)	(1.03)
(b)	Adjustments relating to Previous Years	-	-	-
	Sub-Total	0.37	(2.60)	(1.03)
	Income Tax Expense reported in the Statement of Profit and Loss	57.25	7.92	9.28

(b) Reconciliation of Tax Expense to the Accounting Profit is as follows -

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Accounting Profit before Income Tax	197.2	37.29	35.33
(a)	Enacted Tax Rate (%)	25.168%	25.168%	25.168%
(b)	Tax on Accounting Profit at above rate	49.63	9.39	8.89
(c)	Tax Effect of amounts which are not deductible (taxable) in calculating Taxable Income	7.62	(1.47)	0.39
(d)	Income Tax Expense reported in the Statement of Profit and Loss	57.25	7.92	9.28

28 Related Party Disclosures as per Ind AS - 24

28.1 List of Related Parties where control exist and related parties with whom transactions have taken place and relationships

S. No.	Name of Related Party	Nature of Relationship
1	Mr. Girish Kapoor, Managing Director	Key Managerial Personnel
2	Mr. Arjun Kapoor, CFO (w.e.f. 22.12.2022)	
3	Mr. Arun Jaiswal, CFO (Till 22.12.2022)	
4	Ms. Laxmi Khatri, CS (w.e.f. 31.05.2023)	
5	Ms. Cheshtha Sharma, CS (From 01.08.2020 to 30.05.2023)	
6	Ms. Leena Sharma, CS (Till 31.07.2020)	
7	Mr. Ramesh Kumar Sharma	Independent Director
8	Ms. Neelam Bahri	
9	Mr. Ashwani Kumar Sharma (w.e.f. 12.08.2023)	
10	M/s LWS Knitwear	Enterprise over which KMP can exercise significant influence
11	LWS Export Limited	
12	Gee Kay Knitwear Private Limited	
13	M/s ABC Inc.	
14	M/s Dee Enn Knitwear	
15	M/s Gopal Knitwear Trader	
16	M/s Kay Dee Garments	

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

28.2 Related Party Transactions -

S. No.	Particulars of Transactions	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Key Managerial Personnel			
(a)	Remuneration	7.20	4.20	4.73
(b)	Unsecured Loan Accepted	632.60	583.06	73.13
(c)	Unsecured Loan Repaid	319.22	-	-
2	Associate Concerns			
(a)	Sales	-	98.79	444.98
(b)	Purchases	-	648.45	-
(c)	Profit / (Loss) from Partnership Firm	-	-	(0.76)
3	Closing Balances			
(a)	Key Managerial Personnel (Cr.)	969.58	656.20	73.13
(b)	Associate Concerns (Cr.)	-	102.47	-
(c)	Associate Concerns (Dr.)	232.11	926.18	515.98

29 Earnings per share (EPS)

- 29.1 Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.
- 29.2 Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

29.3 The following reflects the income and share data used in the basic and diluted EPS computations:

S. No.	Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023	For the period ended 31.03.2022
1	Profit attributable to the equity share holders			
(a)	Continuing operations	139.95	29.37	26.05
(b)	Weighted average number of equity shares for basic and diluted EPS (in lakhs)	50,58,400	50,58,400	50,58,400
(c)	Basic and diluted earnings per share (face value INR 10 per share) for continuing operations	2.77	0.58	0.51

- 29.4 There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

30 Gratuity and Other Post-Employment Benefit Plans

The company has not made any provision for gratuity as none of the employees is eligible for gratuity. The rules of Provident Fund and ESI act are not applicable on the company; hence the company has not deducted and deposited any ESI and Provident Fund on behalf of its employees, hence Ind AS-19 is not applicable on the company.

31 Commitments and Contingent Liabilities

There was no contingent liability; hence no provision has been made in the financial statements of the company.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

32 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

32.1 The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31.03.2024, 31.03.2023 and 31.03.2022 is as under -

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
(a)	Principal amount due to micro and small	367.14	-	-
(b)	Interest due on above	-	-	-
		367.14	-	-
2	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

33 Segment Information

Ind AS-108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographical areas, and major customers. The Company has only one business segment primarily Hosiery Goods. Based on the 'management approach' as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment and accordingly make decision about the resources allocation. In view of the same, segment reporting information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the significant accounting policies.

34 Capital Management

34.1 For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Borrowings (Non-Current and Current)	1,947.88	1,596.98	499.70
2	Less: Cash and cash equivalents	(41.36)	(87.87)	(13.86)
3	Net Debt	1,906.52	1,509.11	485.84
4	Equity	1,218.58	1,078.63	1,049.45
5	Capital and Net Debt	3,125.10	2,587.74	1,535.29
6	Gearing Ratio (in Times)	0.61	0.58	0.32

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital in the respective Financial Years.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

34.2 Changes in Liabilities arising from Financing Activities

- (a) The major changes in the Company's liabilities arising from financing activities are due to financing cash flows and accrual of financial liabilities. The Company did not acquire any liabilities arising from financing activities during business combinations effected in the current period or comparative period.
- (b) The Company disclosed information about its interest-bearing loans and borrowings. There are no obligations under finance lease and hire purchase contracts.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Borrowings

S. No.	Particulars	As at 01.04.2023	Expense	Cash Flows	Non - Cash Transactions		As at 31.03.2024
					Processing Cost	Others	
1	Non Current Borrowings (including current maturity)	394.25	-	83.88	-	-	478.13
2	Loan from Related Parties	656.20	-	313.38	-	-	969.58
3	Short Term Borrowings	546.53	-	(46.36)	-	-	500.17
4	Interest Expense	0.44	117.34	(114.08)	-	-	3.70
	Total Liabilities from Financing Activities	1,597.42	117.34	236.82	-	-	1,951.58

S. No.	Particulars	As at 01.04.2022	Expense	Cash Flows	Non - Cash Transactions		As at 31.03.2023
					Processing Cost	Others	
1	Non Current Borrowings (including current maturity)	54.39	-	339.86	-	-	394.25
2	Loan from Related Parties	73.13	-	583.07	-	-	656.20
3	Short Term Borrowings	372.18	-	174.35	-	-	546.53
4	Interest Expense	0.63	72.64	(72.83)	-	-	0.44
	Total Liabilities from Financing Activities	500.33	72.64	1,024.45	-	-	1,597.42

S. No.	Particulars	As at 01.04.2021	Expense	Cash Flows	Non - Cash Transactions		As at 31.03.2022
					Processing Cost	Others	
1	Non Current Borrowings (including current maturity)	54.80	-	(0.41)	-	-	54.39
2	Loan from Related Parties	-	-	73.13	-	-	73.13
3	Short Term Borrowings	-	-	372.18	-	-	372.18
4	Interest Expense	-	27.43	(26.80)	-	-	0.63
	Total Liabilities from Financing Activities	54.80	27.43	418.10	-	-	500.33

35 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values -

35.1 Fair value of financial assets -

S. No.	Particulars	Carrying Values		
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Financial assets whose fair value approximate their carrying value			
(i)	Investments	-	-	-
(ii)	Trade Receivables	2,293.47	3,195.29	1,233.49
(iii)	Cash and Cash Equivalents	41.36	87.87	13.86
	Total	2,334.83	3,283.16	1,247.35

S. No.	Particulars	Fair Values		
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Financial assets whose fair value approximate their carrying value			
(i)	Investments	-	-	-
(ii)	Trade Receivables	2,293.47	3,195.29	1,233.49
(iii)	Cash and Cash Equivalents	41.36	87.87	13.86
	Total	2,334.83	3,283.16	1,247.35

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Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

35.2 Fair value of financial liabilities -

S. No.	Particulars	Carrying Values		
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Financial liabilities whose fair value approximate their carrying value			
(i)	Trade payables & Other Payables	1,080.99	2,336.96	1,589.29
(ii)	Long-Term Borrowings	1,392.08	1,038.68	109.54
(iii)	Short-Term Borrowings	555.80	558.30	390.16
	Total	3,028.87	3,933.94	2,088.99

S. No.	Particulars	Fair Values		
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Financial liabilities whose fair value approximate their carrying value			
(i)	Trade payables & Other Payables	1,080.99	2,336.96	1,589.29
(ii)	Long-Term Borrowings	1,392.08	1,038.68	109.54
(iii)	Short-Term Borrowings	555.80	558.30	390.16
	Total	3,028.87	3,933.94	2,088.99

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount Rate used in determining Fair Value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities -

36.1 Fair Value Measurement Hierarchy for Assets as at 31.03.2024 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial assets whose fair value approximate their carrying value				
(i)	Trade receivables	2,293.47	-	-	2,293.47
(ii)	Cash and cash equivalents	41.36	-	-	41.36
	Total	2,334.83	-	-	2,334.83

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Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

36.2 Fair Value Measurement Hierarchy for Liabilities as at 31.03.2024 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial liabilities whose fair value approximate their carrying value				
(i)	Trade payables & Other Payables	1,080.99	-	-	1,080.99
(ii)	Long-Term Borrowings	1,392.08	-	-	1,392.08
(iii)	Short-Term Borrowings	555.80	-	-	555.80
	Total	3,028.87	-	-	3,028.87

36.3 Fair Value Measurement Hierarchy for Assets as at 31.03.2023 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial assets whose fair value approximate their carrying value				
(i)	Trade receivables	3,195.29	-	-	3,195.29
(ii)	Cash and cash equivalents	87.87	-	-	87.87
	Total	3,283.16	-	-	3,283.16

36.4 Fair Value Measurement Hierarchy for Liabilities as at 31.03.2023 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial liabilities whose fair value approximate their carrying value				
(i)	Trade payables & Other Payables	2,336.96	-	-	2,336.96
(ii)	Long-Term Borrowings	1,038.68	-	-	1,038.68
(iii)	Short-Term Borrowings	558.30	-	-	558.30
	Total	3,933.94	-	-	3,933.94

36.5 Fair Value Measurement Hierarchy for Assets as at 31.03.2022 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial assets whose fair value approximate their carrying value				
(i)	Trade receivables	1,233.49	-	-	1,233.49
(ii)	Cash and cash equivalents	13.86	-	-	13.86
	Total	1,247.35	-	-	1,247.35

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Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

36.6 Fair Value Measurement Hierarchy for Liabilities as at 31.03.2022 -

S. No.	Particulars	Total (Carrying Value)	Fair Value Measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
1	Financial liabilities whose fair value approximate their carrying value				
(i)	Trade payables & Other Payables	1,589.29	-	-	1,589.29
(ii)	Long-Term Borrowings	109.54	-	-	109.54
(iii)	Short-Term Borrowings	390.16	-	-	390.16
	Total	2,088.99	-	-	2,088.99

37 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise of Trade Payables, Other Payables & Borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade Receivables, Other Receivables and Cash and Bank Balances that derive directly from its operations.

37.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

37.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The company is carrying its borrowings primarily at variable rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year .A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates.

S. No.	Particulars	As at	As at	As at
		31.03.2024	31.03.2023	31.03.2022
1	Variable Rate Borrowings	978.30	940.78	426.57

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held 'constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

S. No.	Particulars	Effect on Profit before tax		
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Increase by 50 basis points	(48.92)	(47.04)	(21.33)
2	Decrease by 50 basis points	48.92	47.04	21.33

37.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company transacts business in local currency only. The Company does not have foreign currency trade payables and receivables and is therefore, not exposed to foreign exchange risk. The Company need not to use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

37.1.3 Price Risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The company does not have any investments as on 31st March, 2024, 31st March, 2023 & 31st March, 2022. However, the investments as on 31st March, 2021 is written off during the Financial Year 2021-22.

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Notes forming part of the Restated Financial Statements

(Amount in ₹ Lakhs, unless otherwise stated)

37.2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

37.2.1 Trade Receivables

Customer credit risk is managed by each Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable) disclosed. The Management of the Company evaluates the concentration of risk with respect to trade receivables as low, as the management is confident that it will recover full amount from its customers.

37.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual

37.3.1 As at 31.03.2024

S. No.	Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
1	Trade payables & Other Payables	-	778.16	302.83	-	1,080.99
2	Borrowings	500.17	55.63	1,392.08	-	1,947.88
	Total	500.17	833.79	1,694.91	-	3,028.87

37.3.2 As at 31.03.2023

S. No.	Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
1	Trade payables & Other Payables	-	1,723.68	613.28	-	2,336.96
2	Borrowings	546.53	11.77	1,038.68	-	1,596.98
	Total	546.53	1,735.45	1,651.96	-	3,933.94

37.3.3 As at 31.03.2022

S. No.	Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
1	Trade payables & Other Payables	-	965.93	623.36	-	1,589.29
2	Borrowings	372.18	17.98	109.54	-	499.70
	Total	372.18	983.91	732.90	-	2,088.99

38 Lease

The Company has leased facilities under cancellable and non-cancelled operating lease arrangements with a lease ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The rent expenses recognised for the period ended 31.03.2024 is ₹2.16 Lakhs (Previous Year - ₹1.20 Lakhs).

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LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

39 Ratio Analysis and its Elements						
S. No.	Particulars	As at 31.03.2024	Variance March 2024 vs March 2023	As at 31.03.2023	Variance March 2023 vs March 2022	As at 31.03.2022
1	Current Ratio (Times)					
(a)	Current Assets	4,272.40		4,987.92		3,161.51
(b)	Current Liabilities	1,706.25		2,916.88		2,055.75
(c)	a/b	2.50	46.43%	1.71	11.19%	1.54
2	Debt - Equity Ratio (Times)					
(a)	Total Debt	1,947.88		1,596.98		499.70
(b)	Total Equity	1,218.58		1,078.63		1,049.45
(c)	a/b	1.60	7.96%	1.48	210.94%	0.48
3	Debt Service Coverage Ratio (Times)					
(a)	EBITDA - Taxes	262.78		112.00		62.70
(b)	Principal Repayment + Interest Cost	69.57		57.47		23.81
(c)	a/b	3.78	93.81%	1.95	-26.01%	2.63
4	Return on Equity Ratio (%)					
(a)	Profit After Tax	139.95		29.37		26.05
(b)	Total Equity	1,218.58		1,078.63		1,049.45
(c)	a/b	11.48	321.78%	2.72	9.69%	2.48
5	Inventory Turnover Ratio (Times)					
(a)	Cost of Goods Sold	7145.26		6099.68		6,067.30
(b)	Average Inventories	1,176.48		907.18		980.14
(c)	a/b	6.07	-9.67%	6.72	8.62%	6.19
6	Trade Receivables Turnover Ratio (times)					
(a)	Revenue from Operations	7513.45		6261.52		6175.63
(b)	Average Trade Receivables	2744.38		2214.39		1131.24
(c)	a/b	2.74	-3.18%	2.83	-48.20%	5.46
7	Trade Payables Turnover Ratio (times)					
(a)	Net Purchases	7759.63		6023.90		5997.17
(b)	Average Trade Payables	1,705.58		1,960.84		1,508.61
(c)	a/b	4.55	48.09%	3.07	-22.72%	3.98
8	Net Capital Turnover Ratio (times)					
(a)	Revenue from Operations	7513.45		6261.52		6175.63
(b)	Working Capital	2,566.15		2,071.04		1,105.76
(c)	a/b	2.93	-3.16%	3.02	-45.87%	5.58
9	Net Profit Ratio (%)					
(a)	Profit After Tax	139.95		29.37		26.05
(b)	Revenue from Operations	7513.45		6261.52		6175.63
(c)	a/b	1.86	297.11%	0.47	11.20%	0.42
10	Return on Capital Employed (%)					
(a)	Earning before Interest & Taxes (EBIT)	310.80		109.88		61.60
(b)	Capital Employed	2,610.66		2,117.31		1,159.78
(c)	a/b	11.91	129.40%	5.19	-2.29%	5.31
11	Return on Investment (%)	--	N.A.	--	N.A.	--

- Ratios variances have been explained for any change by more than 25% as compared to the previous year.
- Return on Investment has not been computed because there are no investments in the company as on 31.03.2024, 31.03.2023 & 31.03.2022.

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Notes forming part of the Restated Financial Statements (Amount in ₹ Lakhs, unless otherwise stated)

39.1 Explanation Notes

40.1.1 Variance March 2024 vs March 2023

- (a) Variance in Current Ratio is on account of decrease in current liabilities majorly because of substantial decrease in trade payables of the company.
- (b) Variance in Debt Service Coverage Ratio is on account of the increased profitabilities of the company as compared to the previous year.
- (c) Variance in Return on Equity Ratio, Net Profit Ratio and Return on Capital employed is on account of increased profitabilities of the company as compared to the previous year.
- (d) Variance in Trade Payables Turnover Ratio is on account of timely payments of trade payables of the company.

40.1.2 Variance March 2023 vs March 2022

- (a) The variance in Debt-Equity Ratio is on account of substantial increase in amount of debt during the year. The company has additionally raised secured loans from banks and financial institutions and unsecured loans from
- (b) The variance in Debt Service Coverage Ratio is on account of increased finance cost during the year leading to increased EBITDA and also there are higher prepayments as compared to the previous year.
- (c) The variance in Trade Receivables Turnover Ratio is on account of slow realisation of the debtors because of slow down in the textile market.
- (d) The variance in Net Capital Turnover Ratio is on account of increasing working capital because of the substantial increase in trade receivables during the year.

40 Other Statutory Information

- 40.1 The company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 40.2 The Company do not have any transactions with companies struck off.
- 40.3 The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory
- 40.4 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 40.5 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 40.5.1 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
 - 40.5.2 provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 40.6 The Company have 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:
 - 40.6.1 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
 - 40.6.2 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 40.7 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- 40.8 The Company has not been declared wilful defaulter by any bank and financial institution or government or any government authority.
- 40.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017
- 40.10 The Company has not revalued its property, plant and equipment (including Right to use assets) or intangible assets or both during the current and previous year.
- 40.11 There are no immovable properties in the name of company as on 31.03.2024, 31.03.2023 and 31.03.2022 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

41 Pending Litigations

Company is in litigation with Tata Tea Limited for the insurance claim of Rs.17.06 Lakhs which has been rejected by the court of National Commission, New Delhi. Company has filed an appeal with the Hon'ble Supreme Court of India.

42 Other Information

- 42.1 GST Inputs and Outputs are considered in the books of accounts w.r.t. the purchases / inputs and sales / outputs made during the year on which the assessee is eligible / liable by the management. However, difference if any, resulting at the time of GST Audit or any other development or information later on, is provided for in the year in which such difference is recognised.
- 42.2 Balances of parties under Trade Payables, Other Current Liabilities, Trade Receivables and Other Current Assets are subject to confirmation.
- 42.3 Previous Year Figures have been regrouped and recasted wherever necessary.

LWS Knitwear Limited

Notes forming part of the Restated Financial Statements
(Amount in ₹ Lakhs, unless otherwise stated)

43 **Summary of Restatement Adjustments -**

Statement of Restatement Adjustments to Audited Consolidated Financial Statements

43.1 **Reconciliation between Audited Equity and Restated Equity -**

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Equity as per Audited Financial Statements	1,218.58	1,078.63	1,049.45
2	Equity as per Restated Financial Statements	1,218.58	1,078.63	1,049.45

43.2 **Reconciliation between Audited Total Comprehensive Income / (Loss) and Restated Total Comprehensive**

S. No.	Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022
1	Total Comprehensive Income as per Audited Financial Statements	-	-	-
2	Total Comprehensive Income as per Restated Financial Statements	-	-	-

44 The Restated Consolidated financial information has been approved by the Board of Directors on September 26, 2024.

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PARMOD G. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
(A Peer Reviewed Firm)

LIMITED REVIEW REPORT

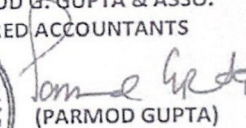
The Board of Directors,
L W S KNITWEAR LIMITED
Ludhiana.

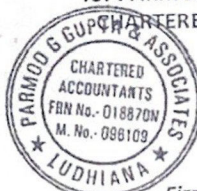
We have reviewed the accompanying statement of unaudited financial results of L W S Knitwear Limited (the Company) for the quarter ended 30th June, 2024 (the "Statement") being submitted by Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Ludhiana
Dated: 13.08.2024
UDIN : 24096109BKDSBS3913

for PARMOD G. GUPTA & ASSO.
CHARTERED ACCOUNTANTS

(PARMOD GUPTA)
PARTNER
M.NO.096109
Firm's Reg. No. 018870N



L W S KNITWEAR LIMITED

Registered Office: G.T.ROAD (WEST), LUDHIANA

CIN- L17115PB1989PLC009315 / L55101PB1989PLC009315

Website: www.lwsknitwear.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2024 (In Lac)

Sr. No.	Particulars	Quarter Ended			Previous Year ended
		30.06.2024 (UnAudited)	31.03.2024 (Audited)	30.06.2023 (UnAudited)	31.03.2024 (Audited)
I	Revenue from operations	1,738.39	3448.01	653.61	7513.45
II	Other income	-	0.01	-	0.02
III	Total Income (I + II)	1738.39	3448.02	653.61	7513.47
IV	Expenses:				
	Cost of materials consumed	0.00	0.00	0.00	0.00
	Purchases of Stock-in-Trade	2,113.89	2977.92	974.82	7,759.63
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(463.46)	256.79	(362.52)	(614.37)
	Employee benefits expense	3.68	3.36	4.80	14.10
	Finance costs	29.05	30.97	24.26	117.34
	Depreciation and amortization expense	2.17	2.35	2.34	9.23
	Other expenses	10.42	8.12	5.18	31.68
	Total expenses (IV)	1695.75	3279.51	648.88	7317.51
V	Profit before exceptional and extraordinary items and tax (III - IV)	42.64	168.51	4.73	195.96
VI	Exceptional items	-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)	42.64	168.51	4.73	195.96
VIII	Extraordinary items	-	-	-	-
IX	Profit before tax (VII- VIII)	42.64	168.51	4.73	195.96
X	Tax expense:				
	(1) Current tax	10.47	48.08	1.45	55.63
	(2) Deferred tax	-0.16	-0.56	-2.04	0.38
	Net Tax Expense (X)	10.31	47.52	-0.59	56.01
XI	Profit (Loss) for the period from continuing operations (IX-X)	32.33	120.99	5.32	139.95
XII	Profit/(loss) from discontinuing operations	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-
XV	Profit (Loss) for the period (XI + XIV)	32.33	120.99	5.32	139.95
XVI	Other Comprehensive Income				
	A				
	(i) Items that will not be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	B				
	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total (XVI)	-	-	-	-
XVII	Total Comprehensive Income for the period (XV+XVI)[Comprising of Profit (Loss) and Other comprehensive Income for the period]	32.33	120.99	5.32	139.95
XVIII	Paid-up equity share capital	505.84	505.84	505.84	505.84
XIX	Face Value of Equity Share Capital	10.00	10.00	10.00	10.00
XX	Reserves excluding revaluation reserve as per balance sheet of previous accounting year	745.07	712.74	577.91	712.74
XXI	Earnings per equity share (for continuing operation):				
	(1) Basic	0.64	2.40	0.11	2.77
	(2) Diluted	0.64	2.40	0.11	2.77
XXII	Earnings per equity share (for discontinued operation):				
	(1) Basic	0.00	0.00	0.00	0.00
	(2) Diluted	0.00	0.00	0.00	0.00
XXIII	Earnings per equity share (for discontinued & continuing operation):				
	(1) Basic	0.64	2.40	0.11	2.77
	(2) Diluted	0.64	2.40	0.11	2.77

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 13.08.2024
- Figures are in Lakhs Rupees except Face value of Equity Shares and EPS, which are in Rupees.
- There is only one segment namely Textiles which includes yarns/ knitted cloth/garments and is the primary reportable segment
- The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules. The Financial Results has been prepared in accordance with the Indian Accounting Standards

For L W S Knitwear Limited

Girish Kapoor
Managing Director
DIN No. - 01870917



Place: Ludhiana
Date: 13.08.2024



Rajiv Rajinder & Co
(Chartered Accountants)
100A, Madhuban Enclave,
Barewal Road, Ludhiana
Ph: 0161-2760879, 93169-20763

PAN : AASFR8448P

Limited Review Report to the Board of Directors of
L W S KNITWEAR LIMITED

We have reviewed the accompanying statement of unaudited financial results of **L W S KNITWEAR LIMITED** for the **Quarter ended 30.06.2023**. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Date: **12.08.2023**
UDIN No. - 23096902BGUUQM1727

For Rajiv Rajinder & Co.
Chartered Accountants
FRN: 016366N



(CA Rajiv Kumar)
M. No. 096902

L W S KNITWEAR LIMITED

Registered Office: G T ROAD (WEST) LUDHIANA Ludhiana-141008.
 Website: www.lwsknitwear.com CIN: L17115PB1989PLC009315
 STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2023

Sr. No.	Particulars	Quarter Ended			Previous Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
I	Revenue from operations	653.61	3,442.55	655.07	6,261.53
II	Other income	-	0.10	0.01	0.11
III	Total Revenue (I + II)	653.61	3,442.65	655.08	6,261.64
IV	Expenses:				
	Cost of materials consumed		-		
	Purchases of Stock-in-Trade	974.82	3,330.64	668.67	6,023.90
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(362.52)	60.80	(49.03)	75.78
	Employee benefits expense	4.80	6.90	3.25	18.86
	Finance costs	24.26	19.35	12.12	72.64
	Depreciation and amortization expense	2.34	2.22	2.58	10.04
	Other expenses	5.18	3.13	13.10	23.13
	Total expenses (IV)	648.88	3,423.04	650.69	6,224.35
V	Profit before exceptional and extraordinary items and tax (III - IV)	4.73	19.61	4.39	37.29
VI	Exceptional items	-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)	4.73	19.61	4.39	37.29
VIII	Extraordinary items	-	-	-	-
IX	Profit before tax (VII- VIII)	4.73	19.61	4.39	37.29
X	Tax expense:				
	(1) Current tax	1.45	5.61	0.84	10.52
	(2) Deferred tax	(2.04)	(0.57)	(0.67)	(2.60)
	Net Tax Expense (X)	(0.59)	5.04	0.17	7.92
XI	Profit (Loss) for the period from continuing operations (IX-X)	5.32	14.57	4.22	29.37
XII	Profit/(loss) from discontinuing operations	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-
XV	Profit (Loss) for the period (XI + XIV)	5.32	14.57	4.22	29.37
XVI	Other Comprehensive Income				
	A				
	(i) Items that will not be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	B				
	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total (XVI)	-	-	-	-
XVII	Total Comprehensive Income for the period (XV+XVI)[Comprising of Profit (Loss) and Other comprehensive Income for the period]	5.32	14.57	4.22	29.37
XVIII	Paid-up equity share capital	505.84	505.84	505.84	505.84
XIX	Face Value of Equity Share Capital	10.00	10.00	10.00	10.00
XX	Reserves excluding revaluation reserve as per balance sheet of previous accounting year				
XXI	Earnings per equity share (for continuing operation):				
	(1) Basic	0.11	0.29	0.08	0.58
	(2) Diluted	0.11	0.29	0.08	0.58
XXII	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XXIII	Earnings per equity share (for discontinued & continuing operation):				
	(1) Basic	0.11	0.29	0.08	0.58
	(2) Diluted	0.11	0.29	0.08	0.58

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 12.08.2023.
- Figures are in Lakhs Rupees except Face value of Equity Shares and EPS, which are in Rupees.
- There is only one segment, namely, yarns / Knitted Cloth / garments, which is the primary reportable segment.
- The previous period figures have been regrouped/ rearranged, wherever considered necessary.

For L W S KNITWEAR LIMITED

(GIRISH KAPOOR)
 Managing Director
 DIN: 01870917



ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Restated Financial Statements for the Financial Years ending March 31, 2024, March 31, 2023 and March 31, 2022. For further details please refer to the chapter titled “*Restated Financial Statements*” beginning on page 79 of this Letter of Offer

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Earnings Per Share (EPS) (Basic and Diluted) (In Rs.)	2.77	0.58	0.51
Return on Net Worth (%)	11.63%	2.72%	2.48%
Net Asset Value per Share (Rs.)	23.79	21.32	20.75
EBIDTA (Rs. In Lakhs)	323.77	119.97	73.14
EBIDTA (%)	4.31%	1.92%	1.18%

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year.
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year.
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year.
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items as presented in the statement of profit and loss in the Audited Financial Statements

STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Particulars	Pre-Issue at March 31, 2024	Post Issue
Borrowings		
Short Term Borrowings (A)	555.80	555.80
Long Term Borrowings (B)	1,392.08	1,392.08
Total Borrowings (C) = (A)+(B)	1,947.88	1,947.88
Shareholders' Fund (Equity)		
Equity Share Capital (D)	505.84	1,466.94
Other Equity (E)	712.74	1,481.62
Total Equity (F) = (E)+(D)	1,218.58	2,948.56
Long Term Borrowing/ Equity	1.14	0.47
Total Borrowings/ Equity	1.60	0.66

STOCK MARKET DATA FOR EQUITY SHARES

Our Company's Equity Shares are listed and actively being traded on BSE. The Rights Equity Shares will be listed on BSE pursuant to the Issue. For further details, please see section titled "*Terms of the Issue*" on page 139 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the BSE by letters dated October 09, 2024. Our Company will also make applications to BSE to obtain the trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of 2 days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchange during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
2023-24	40.59	February 27, 2024	1,155	46,794	11.80	April 06, 2023	809	9,584	13.90
2022-23	21.50	April 22, 2022	1,111	23,061	11.49	March 20, 2023	14	160	15.27
2021-22	31.95	October 19, 2021	16,588	5,14,371	3.75	April 01, 2021	500	1,875	15.61

(Source: www.bseindia.com)

The total number of days trading during the past six months from March 26, 2024 to September 26, 2024 was 118. The average volume of Equity Shares traded on the BSE was 2283 Equity Shares per day.

Market Prices for the last six calendar months

BSE Limited

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)*	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)*	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)**
November 01, 2024 to November 29, 2024	56.56	November 27, 2024	103427	58,49,831	28.24	November 29, 2024	14,563	4,12,133	41.95
October, 2024	48.00	October 14, 2024	1035	48,685	38.51	October 24, 2024	340	13,143	43.01

September, 2024	48.00	September 6, 2024	390	17,914	39.50	September 13, 2024	200	8,180	43.61
August, 2024	50.00	August 14, 2024	64	3,145	41.8	August 22, 2024	1,458	62,770	45.41
July, 2024	52.90	July 3, 2024	1,474	71,443	46.20	July 26, 2024	77	3,740	48.67
June, 2024	52.42	June 20, 2024	11,475	5,70,871	29.18	June 5, 2024	19,365	5,94,609	41.91
May 30, 2024 to May 31, 2024	28.22	May 31, 2024	6,008	1,69,545	26.88	May 30, 2024	522	14,031	27.55

(Source: www.bseindia.com)

The Board of our Company has approved the Issue at their meeting held on December 18, 2023. The high and low prices of our Company's shares as quoted on the BSE on December 19, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No. of equity shares)	Highest Price (₹)	Low price (₹)
BSE			
December 19, 2023	59,648	25.60	25.60

Source: www.bseindia.com

The closing market price of the Equity Shares as on November 29, 2024 i.e., one day prior to filing of this Letter of Offer was ₹ 28.24 on the BSE. The Issue Price is ₹ 18 per Rights Equity Share.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the section titled “**Restated Financial Statements**” beginning on page 79 of this Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read the section titled “**Risk Factors**” and the section titled “**Forward Looking Statements**” beginning on pages 18 and 12, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations.

Our Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS. Accordingly, the degree to which 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 AS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Restated Financial Statements included in this Letter of Offer. For further information, please see the sections titled “**Presentation of Financial, Industry and Market Data**” and “**Restated Financial Statements**” beginning on pages 13 and 79 respectively of this Letter of Offer.

Overview

Our Company is currently engaged in trading of knitted fabric of various textures and thereby catering to our customers’ needs by offering knitted fabric of various design, texture to suit the ongoing fashion trend and market demand. Knitted fabric is a textile that results from knitting, the process of inter-looping of yarns or inter-meshing of loops which may be used as for garments for men, women and children. Knitted fabrics are used for manufacturing of various garments such as dresses, skirts, tops, underwear, pajamas, t-shirts, scarfs, sweaters, cardigans, fitting dresses, leggings, cardigans, shirts, turtlenecks, cuffs, cardigans, sweaters, neckbands, etc. We source our products through third-party manufacturers and traders. Further, we are also engaged in trading of readymade knitted t-shirts.

For further details, please see the sections titled “**Restated Financial Statements**”, “**Our Promoters**” and “**Our Management**” beginning on pages 79, 75 and 66 of this Letter of Offer.

The key highlights of our financial and operating metrics for the three months period ended June 30, 2024 and Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are as set out in table as mentioned below:

(₹ in Lakhs except share data)

Particulars	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	1,738.39	7,513.45	6261.52	6175.63
Profit After Tax	32.33	139.95	29.37	26.05
Weighted Average Number of Equity Shares at the end of the Year	5,058,400	5,058,400	5,058,400	5,058,400
Net Worth (Total Shareholders' Funds)	1,235.80	1,203.47	1078.63	1049.45
Earnings Per Share				
-Basic & Diluted ₹	0.64	2.77	0.58	0.51
Return on Net Worth (Profit After Tax/Net Worth) %	2.62%	11.63%	2.72%	2.48%
Net Asset Value Per Share (Net Worth/Weighted Average Number of Equity Shares)	24.43	23.79	21.32	20.75
Total Borrowings	2,073.17	1,947.88	1,596.98	499.70
EBITDA	73.86	323.77	119.97	73.14

- (1) Net worth attributable to the Equity Shareholders of our Company has been defined as the average 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 and March 31, 2024.
- (2) EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 18 of this Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Company’s inability to successfully implement its growth and expansion plans;
2. Changes in technology/ government laws and regulations to Industry in which we operate;
3. Demand and seasonality
4. Operational guidance and support;
5. Employee costs.

RESULTS OF OPERATIONS

The following table sets out selected data from the Un-Audited Profit and Loss accounts for the three months period ended on June 30, 2024 and June 30, 2023, together with the percentage that each line item represents of our total revenue for the periods presented -

Particulars	For the three months period ended June 30, 2024		For the three months period ended June 30, 2023	
	₹ (in Lakhs)	% of Total Revenue	₹ (in Lakhs)	% of Total Revenue
(a) Revenue from Operations	1,738.39	100.00%	653.61	100.00%
(b) Other Income	0.00	0.00%	0.00	0.00%
Total Revenue	1,738.39	100.00%	653.61	100.00%
Expenses				
(a) Purchases of Stock-in-Trade	2,113.89	121.60%	974.82	149.14%
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(463.46)	-26.66%	(362.52)	-55.46%
(c) Employee Benefit Expenses	3.68	0.21%	4.80	0.73%
(d) Finance Costs	29.05	1.67%	24.26	3.71%
(e) Depreciation and Amortization Expense	2.17	0.13%	2.34	0.36%
(f) Other Expenses	10.42	0.60%	5.18	0.79%
Total Expenses	1,695.75	97.55%	648.88	99.27%
Profit / (Loss) before Tax	42.64	2.45%	4.73	0.73%
Tax expense				
Current Tax	10.47	0.60%	1.45	0.22%
MAT Credit Entitlement	0.00	0.00%	0.00	0.00%
Deferred Tax	(0.16)	-0.01%	(2.04)	-0.31%
Adjustment of Tax of earlier year	0.00	0.00%	0.00	0.00
Total Tax expense	10.31	0.59%	(0.59)	0.09%
Profit After Tax	32.33	1.86%	5.32	0.81%

The following table sets out selected data from the Restated Financial Statements for Fiscal 2024, Fiscal 2023 and Fiscal 2022, together with the percentage that each line item represents of our total revenue for the periods presented -

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ (in Lakhs)	% of Total Revenue	₹ (in Lakhs)	% of Total Revenue	₹ (in Lakhs)	% of Total Revenue
(a) Revenue from Operations	7,513.45	100.00%	6261.52	100.00%	6175.63	100.00%
(b) Other Income	0.02	0.00%	0.11	0.00%	0	0.00%
Total Revenue	7,513.47	100.00%	6261.63	100.00%	6175.63	100.00%
Expenses						
(a) Purchases of Stock-in-Trade	7,759.63	103.28%	6023.9	96.20%	5997.17	97.11%

(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(614.37)	-8.18%	75.78	1.21%	70.13	1.14%
(c) Employee Benefit Expenses	14.10	0.19%	18.86	0.30%	15.15	0.25%
(d) Finance Costs	117.34	1.56%	72.64	1.16%	27.43	0.44%
(e) Depreciation and Amortization Expense	9.23	0.12%	10.04	0.16%	10.38	0.17%
(f) Other Expenses	30.34	0.40%	23.12	0.37%	20.04	0.32%
Total Expenses	7,316.27	97.38%	6,224.34	99.40%	6,140.3	99.43%
Profit / (Loss) before Tax	197.20	2.62%	37.29	0.60%	35.33	0.57%
Tax expense						
Current Tax	55.63	0.74%	10.52	0.17%	10.31	0.17%
MAT Credit Entitlement	0.00	0.00%	0	0.00%	0	0.00%
Deferred Tax	0.37	0.00%	-2.6	-0.04%	-1.03	-0.02%
Adjustment of Tax of earlier year	1.25	0.02%	0.00	0.00%	0.00	0.00%
Total Tax expense	57.25	0.76%	7.92	0.13%	9.28	0.15%
Profit After Tax	139.95	1.86%	29.37	0.47%	26.05	0.42%

Principal components of our statement of profit and loss account Revenue

The following descriptions sets forth information with respect to key components of the Restated Financial Statements.

Total Revenue

Our total revenue comprises of (i) Revenue from operations and (ii) Other Income.

Revenue from operations

Our revenue from operations comprises income of revenue from sale of products and services.

Other Income

Our other income includes rebate and discount.

Expenses

Our expenses consist of purchase of stock in trade, change in inventories, employee benefit expenses, finance costs, depreciation expenses and other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries and directors remuneration and perquisites.

Finance costs

Our finance costs comprise of bank charges, bank interest and interest to others.

Depreciation expenses

Depreciation expenses consist of depreciation of fixed assets corresponding to their estimated useful lives.

Other expenses

Our other expenses primarily include audit fees, advertisement expenses, insurance, postage and courier, miscellaneous expenses etc.

Tax expenses

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity, in which case, the tax is also recognized in Other Comprehensive Income or Equity.

Comparison of three months ended June 2024 with three months ended June 2023

Revenues

Our total revenues increased to ₹ 1,738.39 Lakhs in the three months period ended June 30, 2024 from ₹ 653.61 Lakhs in the three months period ended June 2023, showing an increase by ₹ 1,084.78 Lakhs. This increase was primarily due to an increase in revenue from operations.

Revenues from Operations

Our revenues from operation increased to ₹ 1,738.39 Lakhs in the three months period ended June 30, 2024 from ₹ 653.61 Lakhs in the three months period ended June 2023, showing an increase by ₹ 1,084.78 Lakhs.

Other Income

Other income was ₹ Nil Lakhs in the three months period ended June 2024.

Purchase of Stock-in-trade

Purchase of stock-in-trade in the three months period ended June 30, 2024 stood at ₹ 2,113.89 Lakhs, an increase by ₹ 1,139.07 Lakhs over our purchase of stock-in-trade of ₹ 974.82 Lakhs in the three months period ended June 2023.

Changes in inventories

Changes in inventories in the three months period ended June 30, 2024 stood at ₹ (463.46) Lakhs, a decrease by ₹ 100.94 Lakhs over our change in inventories of ₹ (362.52) Lakhs in the three months period ended June 2023.

Employee benefit expenses

Employee benefit expenses in the three months period ended June 30, 2024 stood at ₹ 3.68 Lakhs, a decrease by ₹ 1.12 Lakhs over our employee benefit expenses of ₹ 4.80 Lakhs in the three months period ended June 2023.

Finance costs

Finance costs in the three months period ended June 30, 2024 stood at ₹ 29.05 Lakhs, an increase by ₹ 4.79 Lakhs over our finance costs of ₹ 24.26 Lakhs in the three months period ended June 2023. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Depreciation and Amortization Expense

Our depreciation charges decreased by ₹ 0.17 Lakhs as compared to ₹ 2.17 Lakhs in the three months period ended June 30, 2024 from ₹ 2.34 Lakhs in the three months period ended June 2023.

Other expenses

Other expenses for in the three months period ended June 30, 2024 stood at ₹ 10.42 Lakhs as compared to ₹ 5.18 Lakhs in the three months period ended June 2023, showing an increase by ₹ 5.24 Lakhs.

Profit/Loss before Tax

In light of above discussions, there was a substantial increase by ₹ 37.91 Lakhs as compared to our profit before tax of ₹ 42.64 Lakhs in the three months period ended June 30, 2024 from ₹ 4.73 Lakhs in the three months period ended June 2023.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, Profit after tax was substantially increased by ₹ 27.01 Lakhs as compared to our profit after tax of ₹ 32.33 Lakhs in the three months period ended June 30, 2024 from ₹ 5.32 Lakhs in the three months period ended June 2023.

Comparison Fiscal 2024 with Fiscal 2023

Revenues

Our total revenues increased from ₹ 6261.63 Lakhs in the fiscal 2023 to ₹ 7513.47 Lakhs in the fiscal 2024, showing an increase by ₹ 1251.84 Lakhs. This increase was primarily due to an increase in revenue from operations.

Revenues from Operations

Our revenues from operation from ₹ 6261.52 Lakhs in the fiscal 2023 to ₹ 7513.45 Lakhs in the fiscal 2024, showing an increase by ₹ 1251.93 Lakhs.

Other Income

Other income was ₹0.02 Lakhs in the fiscal 2024.

Purchase of Stock-in-trade

Purchase of stock-in-trade in the fiscal 2024 stood at ₹ 7759.63 Lakhs, an increase by ₹ 1735.73 Lakhs over our purchase of stock-in-trade of ₹ 6023.90 Lakhs in the fiscal 2023.

Changes in inventories

Changes in inventories in the fiscal 2024 stood at ₹ (614.37) Lakhs, a decrease by ₹ 690.15 Lakhs over our change in inventories of ₹ 75.78 Lakhs in the fiscal 2023.

Employee benefit expenses

Employee benefit expenses in the fiscal 2024 stood at ₹ 14.10 Lakhs, a decrease by ₹ 4.76 Lakhs over our employee benefit expenses of ₹ 18.86 Lakhs in the fiscal 2023.

Finance costs

Finance costs in the fiscal 2024 stood at ₹ 117.34 Lakhs, an increase by ₹44.70 over our finance costs of ₹ 72.64 Lakhs in the fiscal 2023. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Depreciation and Amortization Expense

Our depreciation charges decreased by ₹ 0.81 Lakhs as compared from ₹ 10.04 Lakhs in the fiscal 2023 to ₹ 9.23 Lakhs for the fiscal 2024.

Other expenses

Other expenses for the fiscal 2024 stood at ₹ 30.34 Lakhs as compared to ₹ 23.12 Lakhs in the fiscal 2023, showing an increase by ₹ 7.22 Lakhs.

Profit/Loss before Tax

In light of above discussions, there was a substantial increase by ₹ 159.91 Lakhs as compared from our profit before tax of ₹ 37.29 Lakhs in the fiscal 2023 to ₹ 197.20 Lakhs in the fiscal 2024.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, Profit after tax was substantially increased by ₹110.58 Lakhs as compared from our profit after tax of ₹ 29.37 Lakhs in the fiscal 2023 to ₹ 139.95 Lakhs in the fiscal 2024.

Comparison Fiscal 2023 with Fiscal 2022

Revenues

Our total revenues increased from ₹ 6175.63 Lakhs in the fiscal 2022 to ₹ 6261.63 Lakhs in the fiscal 2023, showing an increase by ₹ 86.00 Lakhs. This increase was primarily due to an increase in revenue from operations.

Revenues from Operations

Our revenues from operation from ₹ 6175.63 Lakhs in the fiscal 2022 to ₹ 6261.52 Lakhs in the fiscal 2023, showing an increase by ₹ 85.89 Lakhs.

Other Income

Other income was ₹ 0.11 Lakhs in the fiscal 2023.

Purchase of Stock-in-trade

Purchase of stock-in-trade in the fiscal 2023 stood at ₹ 6023.90 Lakhs, an increase by ₹ 26.73 Lakhs over our purchase of stock-in-trade of ₹ 5997.17 Lakhs in the fiscal 2022.

Changes in inventories

Changes in inventories in the fiscal 2023 stood at ₹ 75.78 Lakhs, an increase by ₹ 5.65 Lakhs over our change in inventories of ₹ 70.13 Lakhs in the fiscal 2022.

Employee benefit expenses

Employee benefit expenses in the fiscal 2023 stood at ₹ 18.86 Lakhs, an increase by ₹ 3.71 Lakhs over our employee benefit expenses of ₹ 15.15 Lakhs in the fiscal 2022.

Finance costs

Finance costs in the fiscal 2023 stood at ₹ 72.64 Lakhs, an increase by ₹45.21 over our finance costs of ₹ 27.43 Lakhs in the fiscal 2022. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Depreciation and Amortization Expense

Our depreciation charges decreased by ₹ 0.34 Lakhs as compared from ₹ 10.38 Lakhs in the fiscal 2022 to ₹ 10.04 Lakhs for the fiscal 2023.

Other expenses

Other expenses for the fiscal 2023 stood at ₹ 23.12 Lakhs as compared to ₹ 20.04 Lakhs in the fiscal 2022, showing an increase by ₹ 3.08 Lakhs.

Profit/Loss before Tax

In light of above discussions, there was a substantial increase by ₹ 1.96 Lakhs as compared from our profit before tax of ₹ 35.33 Lakhs in the fiscal 2022 to ₹ 37.29 Lakhs in the fiscal 2023.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, Profit after tax was substantially increased by ₹3.32 Lakhs as compared from our profit after tax of ₹ 26.05 Lakhs in the fiscal 2022 to ₹29.37 Lakhs in the fiscal 2023.

SIGNIFICANT DEVELOPMENTS SINCE LAST BALANCE SHEET DATE

After the date of last financial year i.e., March 31, 2024, the following material events have occurred after the last audited period.

1. Except as disclosed above and including under sections titled **“Our Management”**, **“Our Business”**, **“Dividend Policy”** and section titled **“Risk Factors”** beginning on pages **69, 66, 75** and **18** respectively, of this Letter of Offer, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INFORMATION REQUIRED AS PER ITEM SCHEDULE VI TO THE SEBI ICDR REGULATIONS:

1. Unusual or infrequent events or transactions: There have been no such events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.
2. Significant economic changes: Our Company’s operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.
3. Known trends or uncertainties: Except as described in **“Risk Factors”** and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** on page 18 and 124 of this Letter of Offer, our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.
4. The extent to increase in net sales or revenues are due to increase in sales volume coupled with higher price realization.
5. New Services or business segments: Other than as described in **“Our Business”** on page 66 of this Letter of Offer, our Company is not planning to introduce any new services or business segments.
6. Business segment in which our Company operates: Trading
7. Seasonality of business: NA
8. Dependence on single or few clients: Our Company is not dependent of single or few customers. For dependence on single or few clients please refer **“Risk factor - Our Company is dependent on few customers for its products. The loss of one or more significant customers for any reason may have an adverse effect on our results of operations.”** on page 29 of this letter of offer.
9. Competitive conditions: For details of competition please refer to chapter **“Our Business”** on page 66.
10. Total turnover of Company through our operations for the last three fiscal years are as stated below:

(₹ in Lakhs)

March 31, 2024	March 31, 2023	March 31, 2022
7,513.45	6,261.52	6,175.63

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please see the chapter titled **“Restated Financial Statements”** beginning on page 79 of this Letter of offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the chapter titled **“Restated Financial Statements”** beginning on page 79 of this Letter of Offer, there has been no change in accounting policies in last 3 years.

SECTION VI - LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Promoters ("**Relevant Parties**").*

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on January 25, 2018, for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' if the litigations/dispute/regulatory actions will have an impact exceeding 10% of the income or net worth of the Company as per the latest annual audited financial statements of the Company.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors or our Promoters shall not be considered as litigation until such time that any of our Company, our Directors or Promoters, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain 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. Civil proceedings

i) Ahuja Cotspin Private Limited vs. LWS Knitwear Limited – Civil Suit/1212/2024

Ahuja Cotspin Private Limited ("**Plaintiff**") filed a Civil Suit bearing number 1212 of 2024 ("**Suit**") before the Hon'ble Court of Civil Judge, Senior Division, Ludhiana ("**Court**") against LWS Knitwear Limited ("**Defendant**"). The Hon'ble Court is yet to issue summons due to which the facts of the Suit are unknown to the Defendant. The next date of hearing is January 10, 2025 for notice.

B. Litigation filed by our Company

1. Criminal proceedings

Nil

2. Civil proceedings

i. LWS Knitwear Limited vs. Tata Tea Limited, TATA Marine Agencies and Shindongah Fire and Marine Insurance Co. Limited - SLP(C) No. 009010/ 2021

LWS Knitwear Limited ("**LWS**") has filed a special leave petition against Tata Tea Limited ("**TTL**"), TATA Marine Agencies ("**TMA**") and Shindongah Fire and Marine Insurance Co. Limited ("**SFMIL**") (TTL, TMA and SFMIL collectively, "**Respondents**") before the Hon'ble Supreme Court of India bearing SLP(C) No. 009010/ 2021 to grant special leave to appeal against the order dated February 26, 2020 passed by Hon'ble National Consumer Dispute Redressal Commission, New Delhi ("**Impugned Judgment**") in First Appeal No. 221 of 2012. LWS was purchased 2,000 kgs of woolen blended yarn from a South Korean exporter who purchased a marine cargo insurance policy on behalf of LWS from SFMIL. The said insurance policy had a clause that if case of any claim arises, such claim would be payable by TTL. However, the consignment after arriving at the IGI Airport could not be traced for the next two months. thus, LWS lodged an insurance claim which were repudiated. Thereafter, LWS filed a consumer complaint before the Hon'ble State Commission which was dismissed. Thus, LWS filed an appeal against the dismissal by the Hon'ble State Commission before the Hon'ble National Consumer Disputes Redressal Commission, New Delhi which was also dismissed. Thus, LWS filed this special leave petition seeking enunciation of correct principles of law in regard to the Marine Cargo Insurance and for setting aside of the Impugned Judgment. The matter is presently pending and the next date of hearing is on March 11, 2024.

C. Tax proceedings

Particulars	No. of cases	Amount involved (₹ in Lakhs)
Direct Tax	9*	2.98
Indirect Tax	Nil	Nil
Total	9	2.98

* Includes outstanding tax demand amounting to ₹2,26,640 under section 143a of the IT Act, 1961 for financial year 2009-10; and TDS Traces default amounting to ₹1,980 for financial year 2023-24, ₹28,260 for financial year 2021-22, ₹2,880 for financial year 2020-21, ₹1,200 for financial year 2019-20, ₹9,200 for financial year 2018-19, ₹27,250 for financial year 2017-18, ₹1,080 for financial year 2016-17 and ₹300 for financial year 2015-16.

D. Other Material Litigation

Nil

E. Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years

Nil

II. Litigation involving our Directors

A. Litigation filed against our Directors

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

3. Outstanding actions by regulatory and statutory authorities

Nil

B. Litigation filed by our Directors

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

C. Tax proceedings

Particulars	No. of cases	Amount involved (₹ in Lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

D. Other Material Litigation

Nil

F. Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years

Nil

III. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

3. Outstanding actions by regulatory and statutory authorities

Nil

B. Litigation filed by our Promoters

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

C. Tax proceedings

Particulars	No. of cases	Amount involved (in ₹)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

D. Other Material Litigation

Nil

E. Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years

Nil

IV. Outstanding Dues to Small Scale Undertakings or any other Creditors

As on March 31, 2024, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

Particulars	Amount (₹ in Lakhs)
To other than MSME	708.16
To MSMEs	367.14

V. Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

VI. Material Changes and Commitments

We confirm that other than the disclosures made in the financial statements as appearing in this Letter of Offer, there are no material changes and commitments affecting the financial position of the company.

VII. Material Developments since the date of the last Audited accounts

We confirm that other than the disclosures made in the financial statements, as appearing in this Letter of Offer and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 124 of this Letter of Offer, there are no material changes and commitments affecting the financial position of the company.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" beginning on page 41 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY APPROVALS

Authority for the Issue

This Issue has been authorised through a resolution passed by our Board on December 18, 2023 read with resolution passed by the Rights Issue Committee at its meeting held on February 01, 2024, pursuant to provisions of the Companies Act.

Our Board/Rights Issue Committee, in its meeting held on November 22, 2024 has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹18 per Equity Share (including a premium of ₹ 8 per Equity Share) aggregating up to ₹1729.97 Lakhs. The Issue Price is ₹18 per Equity Share and has been arrived at by our Company in consultation with the Advisor to the Issue prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their letters each dated October 09, 2024. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE281M20013 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 139 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3(b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISION TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

DISCLAIMER CLAUSE OF BSE LIMITED

“BSE Limited (“the Exchange”) has given vide its letter dated **October 09, 2024**, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”

Disclaimer clauses from our Company

Our Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company 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 are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Chandigarh, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain

jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or

issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers, and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Expert

Our Company has received written consent dated January 30, 2024 from our Statutory Auditor, for inclusion of their report, dated December 18, 2023 and on the Restated Financial Information in this Draft Letter of Offer and to include their name in the Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated September 26, 2024 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated January 30, 2024 from our Statutory Auditor to include their name as required in the Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated September 26, 2024 on the Restated Financial Information and the Statement of Tax Benefits dated September 26, 2024 and such consent has not been withdrawn as of the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects - Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the 5 (five) years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects - Last issue of listed Subsidiaries or Associates

Our Company does not have any listed Subsidiary or Associates as on the date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled "**Stock Market Data for Equity Shares**" beginning on page 121 of this Letter of Offer.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Letter of Offer was filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Beetal Financial & Computer Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 128 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Beetal Financial & Computer Services Private Limited

Beetal House, 3 Floor, 99 Madangir Behind Local Shopping Center

Near Data Harsukhdas Mandir, New Delhi, Delhi - 110062, India.

Tel. No.: 011 - 29961281 / 29961282

FAX: 011 - 29961284

Email: beetal@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Punit Kumar Mittal

SEBI Registration No.: INR000000262

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Laxmi Khatri, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

G T Road (West), Ludhiana - 141008, Punjab, India

Tel No: 98778 15974

Email ID: info@lwsknitwear.com

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI - Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- our Company at www.lwsknitwear.com;
- the Registrar to the Issue at www.beetalfinancial.com;
- the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at www.beetalfinancial.com by entering their DP ID and Client ID or Folio Number (for Eligible Equity

Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.lwsknitwear.com.

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "**Procedure for Application through the ASBA process**" beginning on page 154 of this Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Thursday, November 28, 2024 are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date, in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application

for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 159 of this Letter of Offer.

d) *Application for Additional Equity Shares:*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "***Basis of Allotment***" beginning on page 165 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 154 of the Letter of Offer.

e) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.beetalfinancial.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: Link Intime India Private Limited
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.beetalfinancial.com

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated December 18, 2023 read with resolution passed by the Rights Issue Committee at its meeting held on February 01, 2024 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

The Board of Directors has in their rights issue committee meeting held on Friday, November 22, 2024 have determined the Issue Price at 18 per Equity Share. Further the Board of Directors has in their rights issue committee meeting held on Friday, November 22, 2024 has determined the Rights Entitlement as 19 Rights Equity Share(s) for every 10 fully paid up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated October 09, 2024. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: INE281M20013 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please refer to the chapter entitled "*Terms of the Issue*" beginning on page 139 of this Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., Thursday, November 28, 2024, are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue www.beetalfinancial.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: <https://www.lwsknitwear.com/>

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE281M20013. The said ISIN shall remain frozen (for debit) until the Issue Opening Date.

The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange' websites.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, Application Form should not, in connection with the issue of the persons receiving a copy of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means, as may be feasible. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 18 per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board of Directors of our Company, at its rights issue committee meeting held on Friday, November 22, 2024, has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 19 Rights Equity Share(s) for every 10 Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ 18 per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 19 Rights Equity Share(s) for every 10 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10 Equity Share(s) or not in the multiple of 10, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 10 Equity Shares, such Shareholder will be entitled to 19 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 10 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of one Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. INE281M20013 for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE281M01013 on BSE. The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated October 09, 2024. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will within four

days forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid within four days, then our Company and every Director who is an officer in default shall, on and from such expiry of four days, be liable to repay the money, with interest as applicable. For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" beginning on page 150 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 39 of this Letter of Offer

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, as may be feasible. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation in Ludhiana, Punjab at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 159 of this Letter of Offer

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- E-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three)

days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that our Company shall be responsible for delay in the receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can also access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at <https://www.lwsknitwear.com/>;
- the Registrar to the Issue at www.beetalfinancial.com; and
- the Stock Exchange at <https://www.bseindia.com>

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., <https://www.lwsknitwear.com/>). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date, after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details, please refer to "**Grounds for Technical Rejection**" beginning on page 163 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "**Application on Plain Paper under ASBA process**" beginning on page 156 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and other issue materials would also be available on the website of the Registrar to the Issue at www.beetalfinancial.com and link of the same would also be available on the website of our Company at (<https://www.lwsknitwear.com/>). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Thursday, December 12, 2024, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 159 of this Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted 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 Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***" beginning on page 156 of this Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE in the manner prescribed under the section titled "*Terms of the Issue*" beginning on page 139 of this Letter of Offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" beginning on page 165 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). 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 and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE281M20013 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Friday, December 06, 2024] to Tuesday, December 10, 2024 (both days inclusive). The Investors holding the Rights

Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE281M20013 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE281M20013, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being LWS Knitwear Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;

- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹18 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected,

with our Company and the Registrar not having any liability to the Investor. The plainpaper Application format will be available on the website of the Registrar. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e. Monday, December 16, 2024. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "**Terms of the Issue - Basis of Allotment**" beginning on page 165 of this Letter of Offer.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case whomake a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders 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") Accounts, and Eligible Non-Resident Equity Shareholders 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 amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in "**Application on Plain Paper under ASBA process**" beginning on page 156 of this Letter of Offer.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING

DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 166 OF THIS LETTER OF OFFER.

General instructions for Investors

- a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- c) Please read the instructions on the Application Form sent to you.
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- e) Application should be made only through the ASBA facility.
- f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" beginning on page 156 of this Letter of Offer.
- h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.
- k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.

- o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign therelevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "*Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" beginning on page 156 of this Letter of Offer.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon

request, to the Registrar, the required Demographic Details as available on its records.

- e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- i) Do not pay the Application Money in cash, by money order, pay order or postal order.
- j) Do not submit multiple Applications.
- k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
- (b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is

made through that SCSB providing ASBA facility in such location.

- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Don'ts for Investors applying through ASBA

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from

or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" beginning on page 169 of this Letter of Offer.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter

Group as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 39 of this Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	Friday, December 13, 2024
Issue Opening Date	Friday, December 06, 2024
Last date for On Market Renunciation*	Tuesday, December 10, 2024
Issue Closing Date	Monday, December 16, 2024
Date of Allotment (on or about)	Friday, December 20, 2024
Date of credit (on or about)	Friday, December 27, 2024
Date of listing (on or about)	Friday, December 27, 2024

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSEBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and dispatch Allotment Advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment Advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit or refund within 4 days of the Issue Closing Date.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

Unblocking amounts blocked using ASBA facility-

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 4 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING

DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNTWHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated June 22, 2011, amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated June 21, 2011, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment Advice, refund order/unblocking (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 159 of this Letter of Offer.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be

reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered

for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor 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 Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and 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 scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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*
- iii. 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 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or

fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated June 22, 2011 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE281M01013.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this

Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve financing other than the financing of capital expenditure for a project. Further, our Promoters and Promoter Group have undertaken that they will subscribe fully to the extent of their rights entitlement and that they shall not renounce their rights (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirement under the SCRR and the SEBI Listing Regulations. Accordingly, minimum subscription criteria are not applicable to the Issue.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with BSE Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, 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, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 18 of this Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "LWS Knitwear Limited – Rights Issue" on the envelope to the Registrar at the following address:

Beetal Financial & Computer Services Private Limited

Beetal House, 3 Floor, 99 Madangir Behind Local Shopping Center,

Near Data Harsukhdas Mandir, New Delhi, Delhi - 110062, India.

Tel. No.: 011 - 29961281 / 29961282

FAX: 011 - 29961284

Email: beetal@beetalfinancial.com

Website: www.beetalfinancial.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar beetal@beetalfinancial.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is beetal@beetalfinancial.com

The Issue will remain open for minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI 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 SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non- institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors 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.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to info@lwsknitwear.com

Material contracts for the Issue

1. Registrar Agreement dated January 08, 2024 between our Company and Registrar to the Issue.
2. Bankers to the Issue Agreement dated November 29, 2024 amongst our Company, Banker(s) to the Issue and the Registrar to the Issue.
3. Tripartite agreement dated June 21, 2011 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
4. Tripartite agreement dated June 22, 2011 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

A) 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 December 18, 2023 in relation to the Issue and other related matters.
3. Resolution of the Board of Directors dated February 01, 2024 approving and adopting the Draft Letter of Offer.
4. Resolution passed by the Rights Issue Committee of the Board of Directors dated February 01, 2024, in relation to the Issue and other related matters.
5. Resolution passed by our Board of Directors dated November 22, 2024 finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.
6. The Restated Financial Statement dated September 26, 2024, for period ended March 31, 2024, March 31, 2023 and March 31, 2022.
7. Limited Review Report for period ending June 30, 2024 and June 30, 2023.
8. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, the Registrar to the Issue, Legal Counsel to the Issue, Bankers to our Company, and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
9. The Report dated September 26, 2024 from the Statutory Auditors of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Letter of Offer.
10. Annual Reports of our Company for Fiscal March 31, 2024, March 31, 2023, March 31, 2022, March 31, 2021, March 31, 2020.
11. In-principle listing approvals dated October 09, 2024 issued by BSE respectively under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this Letter of Offer 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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, 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 Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be.

We further certify that all disclosures made in this Letter of Offer are true and correct.

Girish Kapoor Managing Director DIN:01870917	Sd/-
Kusum Kapoor Additional (Whole-Time) Director DIN: 07135383	Sd/-
Ramesh Kumar Sharma Non-Executive Independent Director DIN: 09545798	Sd/-
Neelam Bahri Non-Executive Independent Director DIN: 09545848	Sd/-
Ashwani Kumar Sharma Non-Executive Independent Director DIN: 0277499	Sd/-

Signed by the - Chief Financial Officer and Company Secretary of our Company

Sd/- Arjun Kapoor (Chief Financial Officer) Sd/- Laxmi Khatri (Company Secretary & Compliance Officer)

Place: Ludhiana, Punjab

Date: November 30, 2024