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AXIAL CAPITAL PRIVATE LIMITED
CORPORATE IDENTITY NUMBER: U65990MH2022PTC393449

Our Company was originally incorporated as "Manish Weaving Industries Private Limited" as a private limited company, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated August 26, 1991 issued by Registrar of Companies, Bombay having Registration Number 11-63074. The name of our company was changed to "K.K. Silk Mills Private Limited". Consequent upon change of name a fresh Certificate of Incorporation dated June 01, 2001 was issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted from a private limited company to public limited company by Special resolution passed in the Extra-Ordinary General Meeting of the company dated May 17, 2018 and consequently, the name of our Company was changed to "K K Silk Mills Limited" and a fresh certificate of incorporation dated June 06, 2018 was issued to our Company by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U17120MH1991PLC063074. For details of change in registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page no. **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Registered Office: 314, Kewal Industrial Estate, S. B. Road, Delisle Road, Lower Parel (W)- 400013, Mumbai, Maharashtra, India

Website: www.kksilkmills.com; E-Mail: cs@kksilkmills.com; Telephone No: +91 8879779739

Company Secretary and Compliance Officer: Ms. Saachi Rajesh Madnani

PROMOTERS OF OUR COMPANY: MR. MANISH KANTILAL SHAH, MR. NILESH KANTILAL JAIN AND MRS. ASHABEN MANISH SHAH

INITIAL PUBLIC ISSUE OF UP TO 7700000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS (THE "ISSUE") COMPRISING A FRESH ISSUE OF UP TO 7700000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY (THE "FRESH ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF OUR POST PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE SEE SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON 252.

THE ISSUE INCLUDES UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID UP CAPITAL OF THE COMPANY

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY, THE PROMOTER IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED ("BSE SME") FOR UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

This is with further reference to the Draft Red Herring Prospectus dated June 26, 2025 filed by Our Company with the BSE Limited.

Potential Bidders may note the following:

1. The section titled "Offer Document Summary" beginning on page 19 of the Draft Red Herring Prospectus has been updated to revise the description under the heading 'Objects of the Issue'

2. The section titled “*Risk Factors*” beginning on page 27 of the Draft Red Herring Prospectus has been updated with revision/incorporation of certain internal risk factors and consequent renumbering.
3. The section titled “*General Information*” beginning on page 49 of the Draft Red Herring Prospectus has been updated to revise details of the Company Secretary.
4. The section titled “*Capital Structure*” beginning on page 6 of the Draft Red Herring Prospectus has been updated to revise point no. 61 sub point iii.– Other Requirements in respect of lock-in.
5. The section titled “*Objects of the Issue*” beginning on page 88 of the Draft Red Herring Prospectus has been updated with modification in the heads (1) Objects of the Issue; (2) Utilisation of Net Proceeds; (3) Proposed Schedule of Implementation and Deployment of Net Proceeds; (4) Details of Objects of the Offer – I. Funding towards capital expenditure for replacement of plant & machineries including installation, mechanical and electrical work, II. Pre-payment or repayment of certain outstanding borrowings availed by our Company and III General Corporate Purposes; and (5) Means of Finance.
6. The section titled “*Outstanding Litigations and Material Developments*” beginning on page 219 of the Draft Red Herring Prospectus has been updated with inclusion and revision of details in the write up of materiality.
7. The section titled “*Other Regulatory and Statutory Disclosures*” beginning on page 239 of the Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	
AXIAL CAPITAL PRIVATE LIMITED SEBI Registration Number: INM000013226 Address: 1018, 10th Floor, Omkar The Summit Business Bay, Andheri East, Mumbai – 400093, Maharashtra, India Telephone Number: +91 022 - 4515 3344 Email Id: mb@axialcapital.in Investors Grievance Id: investors@axialcapital.in Website: www.axialcapital.in Contact Person: Mr. Ashish Roongta CIN: U65990MH2022PTC393449	MUFG INTIME INDIA PRIVATE LIMITED (Formerly Link Intime India Private Limited) SEBI Registration Number: INR000004058 Address: C-101, 247 Park, 1st Floor, L B S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel. Number: +91 810 811 4949 To Contact Person: Ms. Shanti Gopalkrishnan Email Id: Kksilk.smeipo@in.mpms.mufg.com Investors Grievance Id: Kksilk.smeipo@in.mpms.mufg.com Website: www.linkintime.co.in CIN: U67190MH1999PTC118368
ISSUE OPENS ON	ISSUE CLOSES ON
ANCHOR INVESTOR BIDDING DATE	<input checked="" type="checkbox"/> *
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]**

*Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be One (1) Working Day prior to the Bid/ Issue Opening Date.

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

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

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COVER PAGE

Regulation 229(2) is mentioned

DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 7700000 Equity Shares aggregating to ₹ [●] Lakhs	Not Applicable	Upto 7700000 Equity Shares aggregating up to ₹ [●] Lakhs	<p>THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 (2) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.</p> <p>For details in relation to share Reservation among QIBs, NIIs and Individual Investors, see "<i>Issue Structure</i>" on page Error! Bookmark not defined. of this Draft Red Herring Prospectus</p>

ISSUE RELATED TERMS

Name of the City is mentioned:

Working Days	<p>In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the <i>Mumbai</i> as specified in the Draft Red Herring Prospectus are open for business: -</p> <ol style="list-style-type: none">1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the <i>Mumbai</i> as notified in this Prospectus are open for business.2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.
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SECTION II - OFFER DOCUMENT SUMMARY

Removed the word REPLACEMENT

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT

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

Particulars	Estimated Amount (₹ in lakhs) *
Funding towards capital expenditure for plant & machineries including installation, mechanical and electrical work	601.15
Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company	1,500.00
General Corporate Purposes	[●]
Total	[●]

We have kept the uniformity in the name of Promoter as Mrs. Asha Manish Shah.

(i) Key Managerial Personnel & Directors

For the year ended December 31, 2024	For the year ended March 31,		
	2024	2023	2022
Mrs. Asha Manish Shah (Director)	Mrs. Asha Manish Shah (Director)	Mrs. Asha Manish Shah (Director)	Mrs. Asha Manish Shah

(ii) Particulars of Transactions with Related Parties

Particulars	For the period ended December 31,		For the year ended March 31,		
	2024	2024	2023	2022	
<u>Loan & Advances taken</u>					
Mrs. Asha Manish Shah	3.53	28.50	24.32	59.20	
<u>Repayment of Loan & Advances Taken</u>					
Mrs. Asha Manish Shah	3.74	50.56	42.56	17.97	

(iii) Particulars of Closing balances with Related Parties

Particulars	For the period ended December 31,		For the year ended March 31,		
	2024	2024	2023	2022	
<u>Loans Payables</u>					
Mrs. Asha Manish Shah	0.75	0.96	23.02	41.26	

SECTION III - RISK FACTOR

Updated Risk Factor Number 1

We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.

A summary of outstanding matters set out below includes details of Actions by statutory and regulatory authorities against the KMPs. The Proceeding against the KMP as at the date of this Draft Red Herring Prospectus is as follows:

Assistant/Deputy Registrar of Companies, Mumbai Vs. India Steel Works Limited (ISWL), Ms. Saachi Rajesh Madnani and Others

A Summon Case Numbering SS/18/2025 (CNR: MHMM140006832025) is filed by Assistant/Deputy Registrar of Companies, Mumbai in the court of Additional Metropolitan Magistrate, Girgaon, Mumbai in relation to Section 148(8) and Section 129(7) of the Companies Act, 2013 against India Steel Works Limited (ISWL), Ms. Saachi Rajesh Madnani (being an Independent Director in the ISWL from the period from June 23, 2023 to September 4, 2023) & Others. A Show-Cause Notice dated August 30, 2023 was received (through email) by the Company from Ministry of Corporate Affairs, Cost Audit Branch in relation to non-compliance of provisions of Section 148 of the Companies Act, 2013. That said notice stated that the company (ISWL) falls under the ambit of Cost Audit for the financial year ending 31st March 2021 but has not filed the Cost Audit Report in prescribed Form to the Central Government within the statutory time limit prescribed by Section 148 (6) of the Companies Act, 2013. As per the said notice, as per the provision of Section 20 of the Companies Act, the notice was served on the officers of the company (including Ms. Saachi Rajesh Madnani) who was Independent Director as per Portal of Ministry of Corporate Affairs at that time.

The matter pertains to period in which Ms. Saachi Rajesh Madnani, Company Secretary and Compliance Officer was not associated with the company (ISWL) in any capacity. The matter is pending on the respective court website with her being one of the Respondents. Ms. Saachi Rajesh Madnani has not received any notice/communication from Ministry of Corporate Affairs or Additional Metropolitan Magistrate, Girgaon, Mumbai pertaining to the said matter. The next date of hearing as per the e-court website in the matter is fixed as November 25, 2025.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors and Group Companies see “Outstanding Litigations and Material Developments” beginning on page **Error! Bookmark not defined.**

Updated Risk Factor Number 14

Delays or defaults in client payments could affect our business, financial condition and results of operations.

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

Updated Risk Factor Number 15 and moved top 5 Risk Factors:

We have had made non-compliances of certain provision under Companies Act, 2013.

Our Company has past made certain inadvertent erroneous filings under Companies Act, 2013 and 1956. Further, there have also been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings, amended from time to time, as mentioned below:

There was typographic and clerical error in the list of allottees attached in Form 2/form PAS 3 such as number of shares allotted are incorrectly mentioned, shares were allotted in the name of proprietary concern and supposed to be allotted to individual, shares were registered in the name of partnership firm instead of name of partners of the firm.

There is clerical error in attachment of list of shareholders in the Annual Return form filed for Financial Year 2015-16, the attachment is incorrect.

Our company has taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application on April 24, 2025 under section 441 of the Companies Act, 2013 and for the offence under section 75 of Companies Act, 1956 and section 450 of the Companies Act, 2013.

Our Company has, in the past, experienced delays in the filing of certain forms with the Registrar of Companies (ROC) as required under the Companies Act, 2013. These delays could potentially attract penalties, fines, and other regulatory actions against our Company, which may adversely affect our financial condition and reputation.

Although the late filing fees levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further we cannot assure you that we may not do delay filings in future and not be subjected to penalty or interest. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

No penalties were imposed by the Statutory Authority. The delay was regularised by filing the forms with additional fees. Till date no penalty has been imposed by the statutory authority and all the filings have been regularised by filing with additional fees. However in future if any fine or penalty is levied by the statutory authorities, it will impact the financials of the Company depending on the quantum of fine or penalties levied. Further the Company had made Compounding applications on 24th April 2025 and awaiting its order.

The Company now have appointed a whole time Company Secretary and one assistant in the secretarial department who are responsible to ensure ROC filings are done in time and without any error by following proper maker and checker mechanism.

Updated Risk Factor Number 18

Under-utilization of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

We operate one manufacturing facility in Umbergaon, Valsad, Gujarat with an aggregate installed production capacity as mentioned below:

For the year/ period ended	Existing installed capacity (MTR)	Actual Production (MTR)	% of actual production to installed capacity
March 31, 2022	15000000	7660908	51.07%
March 31, 2023	15000000	12248952	81.66%
March 31, 2024	20000000	18533596	92.67%
December 31, 2024 (for 9 months)	15000000	13361247	89.07%

Source: Based on certificate of Er. Parth P Patel., Chartered Engineer dated April 10, 2025.

The production capacity has not been fully utilized in FY 2021-22 primarily due to the adverse impact of the COVID-19 pandemic and subsequent unfavourable market conditions. The disruptions caused by the pandemic, including supply chain constraints, reduced consumer demand, and overall economic slowdown, significantly affected operations across the industry.

In year 2022-23 when the utilisation of the Company was around 82%, the Company had imported 24 PICANOL machineries from Taiwan in order to adopt latest technology. The production was affected at the time of installation of these machines.

In year 2023-24 and for stub period of Dec'24 the utilisation of manufacturing capacities are around 93% and 90% respectively which according to the Company are optimum as there are maintenance of machines/factories owing to which it is not possible to achieve 100% capacity utilisation.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

Updated Risk Factor Number 22

Any delay in production, or shutdown, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.

Our Company has its manufacturing facility located at Valsad, Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer's demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below the expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on our business, financial condition and results of operations.

During the COVID-19 pandemic, the factory operations were entirely shut down during all government mandated complete lockdowns. There were two major shutdown periods: the first from March 2020 to May 2020, and the second brief closure during the April 2021 surge, depending on regional restrictions. These shutdowns were in full compliance with government directives to ensure the health and safety of all employees. Apart from these pandemic-related closures, the factory has not experienced any prolonged or unplanned shutdowns, except for brief periods required for routine maintenance or statutory inspections.

Updated Risk Factor Number 25

Our operations may be adversely affected in case of industrial accidents at our production facility.

Usage of heavy machinery, handling of sharp parts of machinery by labour during production process or otherwise, handling process of heavy material, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further, our plant and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

In the year 2006, there was an incident of fire at our corporate office due to defective electric circuit. It caused loss of office records and documents due to fire, heat, smoke and water. The loss of records includes accounting and financial records, bank statements, registers, forms filed with Registrar of Companies etc. maintained in physical form. Currently we do not have any insurance to cover the property of Registered office where the books of account are to be maintained. Occurrence of fire in office premises may leads to financial loss, property damage, business disruption etc.

There were no incidents in the past of accidents at production facility owing to which there was major injury to employees or loss to them Company.

Updated Risk Factor Number 38 and moved to Top 3 Risk Factors

There may be potential conflicts of interest if our Promoters, Promoters' Group entities who are involved in same business activities that compete with or are in the same line of activity as our business operations.

Any conflict of interest which could occur between our business and any other similar business activities pursued by our Director, Promoter and Promoter Group entity, could have a material adverse effect on our business and results of operations. Our Group Companies, Krizz Mart Private Limited, JK Fabitex Industries Private Limited are engaged in same line of business. Further, our Company has entered into separate non-compete agreement in order to avoid the conflict of interest envisaged with our group company. We cannot assure you that a conflict will not arise, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. For further details of conflict of interest please refer chapter titled "*Information with respect to Group Companies*" on beginning on page no **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Updated Risk Factor Number 44

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected. *However, there is no instance of misconducts or any major error by the employees in past.*

Added Risk Factor

The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares has been determined through the Book building process. This price is based on numerous factors. For further information, see “*Basis for Issue Price*” beginning on page 98 of this Draft Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

Added Risk Factor

Our company has taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements by filed compounding application.

Our company has taken significant steps to address below non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application on April 24, 2025 under section 441 of the Companies Act,2013 and for the offence under section 75 of Companies Act, 1956:

1. Shares were originally allotted to M/s. VK Silk Mills, Partnership Firm and currently the said shares are registered in the name Mr. Harshil Manish Shah and Mr. Naman Shah, partners of said partnership firm. We have taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application under section 441 of the Companies Act, 2013 and for the offence under section 75 of Companies Act, 1956.
2. Mrs. Ashaben Manish Shah was allotted 31334 Equity Shares on December 12, 2011 in the name of M/s. S.R. Textiles (proprietary concern of Mrs. Ashaben Manish Shah) of however, the said shares were supposed to be allotted in the name of Mrs. Ashaben Manish Shah. We have taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application under section 441 of the Companies Act, 2013 and for the offence under section 75 of Companies Act, 1956.
3. Mrs. Ashaben Manish Shah was allotted 18000 Equity Shares on March 30, 2013 in the name of M/s. S.R. Textiles (proprietary concern of Mrs. Ashaben Manish Shah) however, the said shares were supposed to be allotted in the name of Mrs. Ashaben Manish Shah. We have taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application under section 441 of the Companies Act, 2013 and for the offence under section 75 of Companies Act, 1956.
4. Mrs. Ashaben Manish Shah was allotted 144567 Equity Shares on August 01, 2018 in the name of M/s. S.R. Textiles (proprietary concern of Mrs. Ashaben Manish Shah) however, the said shares were supposed to be allotted in the name of Mrs. Ashaben Manish Shah.

We have taken significant steps to address above non-compliances and ensure ongoing compliance with regulatory requirements. We have filed compounding application under section 441 of the Companies Act, 2013 and for the offence under section 75 of Companies Act, 1956.

OBJECTS OF THE ISSUE

Removed the word REPLACEMENT

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT

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

Particulars	Estimated Amount (₹ in lakhs) *
Funding towards capital expenditure for plant & machineries including installation, mechanical and electrical work	601.15
Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company	1,500.00
General Corporate Purposes	[●]
Total	[●]

Details are added of location where these machines are proposed to be set up (Unit)

DETAILS OF THE OBJECTS OF THE FRESH ISSUE

Funding towards purchase of machinery and equipment

We intend to deploy Our Company is engaged in the business of manufacturing of fabrics as well as garments. Our range of garment products covers all the age group segments such as kids wear, men's wear, women's wear. We use variety of knitted fabrics such as 100% cotton, 100% polyester, blended (cotton and polyester) and printed polyester fabrics in the production of garments. We manufacture the fabric which used in variety of products such as mens shirts wear- formal and casual wear, shervani material, ladies wear - dress material, burkha material, kushan cover material etc. We sell our knitted fabrics to domestic and international garment manufacturers. We have approximately 5422 sq. mtrs. size area manufacturing plant located at Umbergaon, Valsad.

The textile industry is constantly evolving, and one crucial aspect of this evolution is the modernization of machinery. We intend to upgrade our machineries by replacing the existing 26 electronic Jacquard Machines with new advanced ones. Replacing existing Electronic Jacquard machines with new, advanced models can significantly impact production efficiency, quality, and cost-effectiveness. *New Jacquard Machines will be installed in existing Plot No. 406, Umbergaon Industrial Estate, Umbergaon, Valsad by replacing the old ones. Second hand Picanol machines will be installed in existing Plot No. 603, GIDC, Umbergaon. Approximately 5422 sq. meters. There will be no space constraints to accommodate the new machines. There will not be any replacement cost as the old machines will be scrapped.*

Added Total in Table

The following table provides details of certain borrowings availed by our Company, which are outstanding as on May 31, 2025, which are currently proposed to be re-paid or pre-paid, in full or in part, to the extent of ₹ 1,500.00 lakhs from the Net Proceeds.

Sr. No.	Name of Lender	Date of Sanction/ Renewal	Nature & Purpose of Borrowing	Amount Sanctioned (in lakhs)	Tenure	Outstanding amount as on May 31, 2025	Current Interest Rate
1	State Bank of India	28.4.2025	Fund Based Cash Credit Limits (Working Capital)	1135.00	Repayable on demand subject to review at annual intervals or as may be decided by the bank.	1102.48	10.75%
2	Bank of Baroda	13.12.2024	Fund Based Cash Credit Limits (Working Capital)	2375.00		2335.54	9.75%
3	Union Bank of India	8.1.2025	Fund Based Cash Credit Limits (Working Capital)	1495.00			8.55%
4	Yes Bank	21.03.2025	Fund Based Cash Credit Limits (Working Capital)	500.00		1487.12	
						180.33	9.30%

5	State Bank of India	28.4.2025	Term loan under GECL Scheme (Working Capital and other business requirement)	68.00	To be repaid in 36 monthly installments of Rs. 304688	61.24	9.25%
6	State Bank of India	28.4.2025	Term Loan – Sbi (Purchase of Machinery)	385.00	To be repaid in 36 monthly installments of Rs. 625000	365.90	9.15%
7	Bank of Baroda	13.12.2024	Term loan under GECL Scheme (Working Capital and other business requirement)	39.00	To be repaid in 36 monthly installment (1st Emi 21000 & 35 Emi @112000/-)	34.93	9.25%
8	Union Bank of India	8.1.2025	Term loan under GECL Scheme(Working Capital and other business requirement)	164.00	To be repaid in 36 monthly installments of Rs. 608333	93.57	9.25%
TOTAL				6161.00		5661.11	

Added an explicit statement regarding utilization of loans

All the loans mentioned above have been utilized for the purpose it was availed.

Other professionals and Other are specified

Issue Related Expenses

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

Activity	Estimated Amount (₹ in lakhs) *	As a % of total Issue expenses ^(a)	As a % of Issue size ^(a)
Book running lead manager's fee	[●]	[●]	[●]
Underwriting commission	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrars to the issue	[●]	[●]	[●]
Legal advisors (if any)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges and depositories	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]

Fee payable to statutory auditors and other professional <i>includes Peer Review Auditor</i>	[•]	[•]	[•]
Others <i>include Practicing Company Secretary, Market Maker, Depositories, Printers, Advertisement and Marketing cost</i>	[•]	[•]	[•]
Total Estimated Issue Expenses	[•]	[•]	[•]

Added the table on the capacity and capacity utilisation to be reproduced in the section 'Objects of the Issue'

The details of capacity and capacity utilization of our manufacturing facility is mentioned below:

For the year/ period ended	Existing installed capacity (MTR)	Actual Production (MTR)	% of actual production to installed capacity
March 31, 2022	15000000	7660908	51.07%
March 31, 2023	15000000	12248952	81.66%
March 31, 2024	20000000	18533596	92.67%
December 31, 2024 (for 9 months)	15000000	13361247	89.07%
Estimated revision in annual installed capacity utilisation after the proposed machineries are procured and installed	21165000		

Source: Based on certificate dated April 10, 2025 and July 19, 2025 of Er. Parth P Patel., Chartered Engineer and expert as per section 2(38) of Companies Act, 2013.

Added table Purpose of each machinery proposed to be bought.

Name of Equipment	Specification	Purpose/Use
CAM Drive 2688 Hooks Jacquard	2688 Hooks Mechanism	Used for high-speed weaving of intricate and detailed fabric patterns. Enhances design capability and production efficiency in woven fabrics.
Electronic Jacquard with 2688 Hooks (Top Buy)	Computerised Jacquard System	Enables precise and automated control of complex weaving patterns; reduces manual intervention, improves consistency, and increases productivity in fabric design.
Picanol looms Gammax-8-R-3400,	ww. 3400 mm. Stäubli dobby 2861, 20 levers (18 installed),	The Picanol Gammax-8-R-3400 loom is a versatile textile machinery designed for efficient weaving with high performance and productivity. Suitable for weaving a wide variety of fabrics with precision and speed due to its rapier mechanism and electronic controls.

Added the Currency denominations and add exchange rate

Rs. in lakhs

Name & description of the equipment	Name of Supplier	Quotation Date	Date of Expiry of Quotation	Quoted Amount per unit (exclusive of all taxes)	Quantity (Nos)	Total price (in ₹)
Electronic Jacquard Machine						
Option 1 – CAM DRIVE 2688 HOOKS ELECTRONIC JACQUARD WITH SJC9 CONTROLLER AND STANDARD SET OF ACCESSORIES	JIANGSU S&S INTELLIGENT SCIENCE AND TECHNOLOGY CO., LTD.	June 2025	19, September 26, 2025	8.67 (USD 10,000)	26	225.42 (USD 2,60,000)
OR						
Option 2- ELECTRONIC JACQUARD MACHINE WITH 2688 HOOKS 16 LINES WITH TOUCH SCREEN WITH STANDARD ACCESSORIES	HANGZHOU WILTOP IMPORT & EXPORT CO., LTD	June 2025	20, September 25, 2025	10.57 (USD 12200)	26	274.73 (USD 317200)
Custom duty (1%), Social welfare charge, CHS & transportation, loading & unloading and installation fee (exclusive of GST)						40.00
Total cost of Electronic Jacquard Machine						265.42 or 314.73

Exchange rate USD 1 = INR 86.64

Name & description of the equipment	Name of Supplier	Quotation Date	Date of Expiry of Quotation	Quoted Amount per unit (exclusive of all taxes)	Quantity (Nos)	Total price (in ₹)
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Second hand - Picanol looms Gammax-8-R-3400, year 2003-2006, ww. 3400 mm. Stäubli dobby 2861, 20 levers (18 installed), FF (free flight), Sumo motor, Elys electr. leno device, 8 colours, 8 pre-feeder Chrono X2, creel, electr. filling insertion, 10 harness frames, 2 warp beams (dia. 1000 mm), 13.000/26.000 heddles / droppers, 6 Grob bar stop motion, Sick optical safety control (without batcher and inspection table)	SPP International DMCC – Germany	July 16, 2025	October 14, 2025	21.95 (EUR 22,000)	11	241.42 (EUR 2,42,000)
Custom duty (5%), Social welfare charge, CHS & transportation, loading & unloading and installation fee (exclusive of GST)						45.00
Total						286.42

Exchange rate 1 EUR = INR 99.86

Added confirmation on interest, time gap and location where the machinery were installed

Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- Above estimates are exclusive of GST
- Above mentioned cost is exclusive of other miscellaneous cost.
- All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- None of the Promoter(s), Promoter Group, Director (s), Key managerial Personnel or Senior Managerial personal have any interest or are related to any of the above vendor.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification / addition / deletion of machineries or equipment) at the time of actual placement of the order. In such case, the management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to

meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 15% of the amount raised by our Company through this Issue.

- *We intend to acquire 26 new electronic jacquard machinery which will replace the existing machinery and will be installed at our existing unit at Plot No. 406, Umbergaon Industrial Estate, Umbergaon*
- *We intend to acquire 11 second-hand Picanol Optimax machinery which will be installed at our existing unit at Plot No. 603, GIDC, Umbergaon.*
- *The approximate time gap in “Date of placement of order” and “Date of delivery” will be around 90 days*
- *The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of packing & forwarding, transportation, transit insurance and applicable taxes if any etc. Such cost escalation would be met out of our internal accruals.*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards purchase of the aforesaid machines.

BASIS FOR ISSUE PRICE

Removed adjectives

Our manufacturing base

Our Company operates from its manufacturing facilities located at Umbergaon, Valsad which is spread over an area of 5422 Sq. ft. Our Units have an installed capacity of 20000000 MTR for manufacturing of fabrics as well as garments. Our Units employs 169 workers as on March 31, 2025. Of the total work force of 169 people as on March 31, 2025, over 2 are women from the nearby villages.

OUR MANAGEMENT

Corrected the error by changing he to she

MS. PRIYANKA MAYURESH OKA	
Term of Appointment and date of expiration of current term of office.	Currently she holds office as Independent Director, w.e.f on March 01, 2025.

Membership number and compensation of Company Secretary and Compliance Officer are mentioned

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration to be paid in F.Y. 2025-26 (₹ in Lakhs)
Name	Ms. Saachi Rajesh Madnani <i>Membership No. A29822</i>	She is a member of the Institute of Company Secretaries of India.	Infomerics Valutaion and Rating Pvt. Ltd.	6.20 p.a.
Designation	Company Secretary and Compliance Officer			
Date of Appointment	December 16, 2024			
Overall Experience	She has more than 9 years of experience in the field of corporate law and compliance.			

SECTION – XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Earnings before Interest, Depreciation and tax

Our Company satisfies the criteria of having *minimum* operating profit (earnings before interest, depreciation and tax) of ₹ 1 Crore from operations for 2 out of 3 latest financial years preceding the application date which given hereunder based on Restated Standalone Financial Statement.

(₹ In lakh)

Particulars	For the period/ year ended			
	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Operating profit (earnings before interest, depreciation and tax and other income) from operations	1,098.24	980.95	841.01	734.29

RESTATED FINANCIAL INFORMATION

Corrected the Financial Years

Remuneration to Statutory Auditors

Particulars	As at December 31,		As at March 31,		
	2024	2024	2023	2022	
Statutory Audit Fees		4.75	4.75	4.75	2.00
Tax audit fees		0.75	0.75	0.75	0.70

Added a chapter of Financial Indebtedness

FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on December 31, 2024:

(₹ in Lakhs)

Nature of Borrowing	Amount
Secured Borrowings	6009.32
Unsecured Borrowings	31.29
Total	6040.61

Details of Secured Borrowings:

LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at Dec 31, 2024
Secured	
(a) Term loans	
From Banks	397.65
<i>(Secured by hypothecation charge on fixed assets of the Company acquired out of bank finance).</i>	
*Primary Security	
Hypothecation charge on the entire current assets, moveable fixed assets and movable assets held in the company premises, factory land & building, godown, in the name of company	
*Collateral Security	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/1401/1, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/603/A, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/1401/2, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Land (Leasehold right) and building at survey no 141/p, Plot No-406, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Flat No-404, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Hypothecation of all the Plant & Machinery installed at all Factory Land & building in the name of Company except assets created from Term Loan.	
Mortgage charge on Counter Indemnity of Duly Charged FDRs, Hypothecation of Stock procured under LC & Book Debts created out of the sale of such stocks	
Personnel Guarantee given by Dharmiben Shah, Asha Shah, Nilesh Shah, Pinky Shah and Manish K Shah	
<i>(Repayable in 36 to 44 installments)</i>	
Loan From GIDC	6.07
Less: Disclosed under Short Term Borrowings	
- Current Maturity of Long-term borrowing	136.13
	Sub-total
	267.58
Other Loans	
From Banks	363.65
Less: Disclosed under Short Term Borrowings	
- Current Maturity of Long-term borrowing	91.52
	Sub-total
	272.13
Total	539.72

SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at Dece mber 31, 2024
Purchase Bill discounting	231.4
(Backed by Inland Letter of credit issued by Banks)	1
i) From NBFC	
Bill Discounting Facility	645.5
	8
*Primary Security	
Hypothecation charge on the entire current assets, moveable fixed assets and movable assets held in the company premises, factory land & building, godown, in the name of company	
*Collateral Security	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/1401/1, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/603/A, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Factory land and building situated on Plot No. J/1401/2, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Land (Leasehold right) and building at survey no 141/p, Plot No-406, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Extension of EM on Flat No-404, GIDC, Umergaon (Valsad), Gujarat.	
Mortgage charge on Hypothecation of all the Plant & Machinery installed at all Factory Land & building in the name of Company except assets created from Term Loan.	
Personnel Guarantee given by Dharmiben Shah, Asha Shah, Nilesh Shah, Pinky Shah and Manish K Shah	
Loan & Advances from Related Parties	-
Current Maturities of Long-Term Borrowing	227.6
	5
Total	5,469.61

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

ICE certificate and non-compete agreements are added Material Documents

MATERIAL DOCUMENTS

1. Charted Engineer Certificates for Capacity and Capacity Utilization
2. Non-compete agreements with Group Companies