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MADHUR KNIT CRAFTS LIMITED
CIN: U17301PB1997PLC020381

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Madhur Knit Crafts Private Limited” bearing Corporate Identification Number U17301PB1997PTC020381 August 21, 1997, issued by the Registrar of Companies, Punjab, H.P & Chandigarh. Subsequently, the name of our Company was changed to “Madhur Knit Crafts Limited” and a fresh Certificate of Incorporation dated January 30, 2025, was issued by the Registrar of Companies, Chandigarh. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U17301PB1997PLC020381. For further details, please refer to *“Our History and Certain Other Corporate Matters”* beginning on page **Error! Bookmark not defined.** of the Draft Red Herring Prospectus.

Registered Office Village - Seera, Sattowal Road, Rahon Road, Eros Bajra Road, Ludhiana, Punjab, India, 141007

Contact Person: Ms Nikita Tayal, Company Secretary & Compliance Officer; **Tel No:** +91 9878009690 **Email:** ipo@mkepl.in; Website: www.mkepl.in

OUR PROMOTERS: (I) Arun Gupta (II) Piyush Gupta and (III) Chirag Gupta.

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THE ISSUE COMPRISE OF A PUBLIC ISSUE OF 56,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FULLY PAID (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [●]/- PER EQUITY SHARE) AGGREGATING TO ₹ [●]/-LAKHS (“THE ISSUE”) BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH [●] EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES OF ₹10/- EACH IS HEREINAFTER REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRM ADVERTISED IN ALL EDITIONS OF A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER [●] AND REGIONAL NEWSPAPER PUNJABI [●] (PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED “NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, PLEASE REFER TO “ISSUE STRUCTURE” BEGINNING ON PAGE **Error! Bookmark not defined.** OF THIS DRAFT RED HERRING PROSPECTUS.

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED OCTOBER 25, 2025 (THE “ADDENDUM”)

This is with reference to the DRHP dated October 25, 2025, filed with the National Stock Exchange of India (NSE) in relation to the Issue. In this regard, Potential Bidders may note the following:

- The Following Changes or Updation have been incorporated under the chapter “Definition and Abbreviations” of the Draft Red Herring Prospectus:**
 - Under the section “Issuer and Industry Related Terms”, the name of the Stakeholder Relationship Committee has been corrected.
- The Following Changes or Updation have been incorporated under the chapter “Summary of the Issue Document” of the Draft Red Herring Prospectus:**

- a) Under the “Summary of Related Party Transactions” table, the column relating to percentages has been added and certain corrections have been made to the amounts.
- 3. The Following Changes or Updation have been incorporated under the chapter “Risk Factor” of the Draft Red Herring Prospectus:**
- a) The section titled “Risk Factors” beginning on page 25 of the Draft Red Herring Prospectus has been revised and updated.
- 4. The Following Changes or Updation have been incorporated under the chapter “General Information” of the Draft Red Herring Prospectus:**
- a) Under the header “Registered and Corporate Office of our Company”, the name “Madhur” has been corrected.
- 5. The Following Changes or Updation have been incorporated under the chapter “Capital Structure” of the Draft Red Herring Prospectus:**
- a) Under the header “Details of Promoters’ Contribution and Lock-in”, the table has been populated.
- 6. The Following Changes or Updation have been incorporated under the chapter “Object of the Issue” of the Draft Red Herring Prospectus:**
- a) Under the object “Funding capital expenditure for the purchase of solar panels”, the benefits to accrue have been revised and updated.
- b) Under the object “Working Capital Requirement”, the table titled “Rationale for Raising Additional Working Capital” has been revised and updated.
- c) Under the object “Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company”, the text and the table relating to the object have been revised and updated.
- d) Under the section “Interim Use of Funds”, the text has been revised and updated.
- 7. The Following Changes or Updation have been incorporated under the chapter “Basis for Issue Price” of the Draft Red Herring Prospectus:**
- a) Under the header “Industry Price / Earnings (P/E) Ratio”, the table has been added.
- b) Under the header “Comparison of Accounting Ratios with Listed Industry Peers”, the table has been added.
- c) Under the header “Key Financial & Operational Performance Indicators (KPIs)”, in point (i), the interest coverage ratio has been added and point (v) has been included.
- 8. The Following Changes or Updation have been incorporated under the chapter “Our Business” of the Draft Red Herring Prospectus:**
- a) Under “Primary Business”, the video has been removed.
- b) Under “Plant and Machinery, Technology, Process”, the notes have been revised and updated.
- c) Under “Infrastructure and Capacity Utilization”, the table has been revised and updated.
- d) Under “Important Events of Our Company”, a cross-reference has been added and the table has been removed.
- e) Under “Revenue Break-up from Top 10 Customers”, a cross-reference has been added and the table has been removed.
- f) Under “Financial Highlights – Set forth below is the bifurcation of our revenue from operations”, the total has been added to table (a), the amount in table (c) has been corrected, and a new table (f) has been added.
- g) Under “Financial Highlights – Set forth below is the bifurcation of our expenses”, table (a) has been added.
- h) Under “Brief Key Financial Performance Indicators”, the interest coverage ratio has been added.
- i) Under “Strengths of Our Company”, point 6 has been revised and updated.
- j) Under “Strategies of Our Company”, point 2 has been revised and updated.
- k) Under “Raw Materials”, table (b) has been revised and updated.
- l) Under “Manufacturing Process for Anti-Pilling Fabrics”, step 6 has been revised and updated.
- m) Under “Technology”, the text has been revised and updated.
- n) Under “Insurance”, the table has been revised and updated.
- o) Under “Intellectual Property Owned by Our Company”, certain trademarks have been removed.
- p) Under “Properties”, the column relating to the status of stamping/registration has been removed and notes to the table have been added.
- 9. The Following Changes or Updation have been incorporated under the chapter “Our Management” of the Draft Red Herring Prospectus:**
- a) Under “Board of Directors”, the DIN of Sanjay Kapoor has been corrected.
- b) Under “Compensation of Managing Directors and/or Whole-time Directors”, notes have been added.
- c) Under the table “Changes in the Board of Directors During the Last Three Years”, a column titled “Detailed Reason for Resignation” has been added.
- d) Under the table “Key Managerial Personnel”, the details have been revised and corrected.
- e) Under the table “Changes in the Key Managerial Personnel and Senior Management Personnel in the Past Three Years”, a column titled “Detailed Reason for Resignation” has been added.

f) Under “Our Promoter Group”, the table “Entities Forming Part of Our Promoter Group” has been revised and updated to include the column “Type of Entity”.

10. The Following Changes or Updation have been incorporated under the chapter “Outstanding litigations and material developments” of the Draft Red Herring Prospectus:

- a) Under “Disclosure”, the amount of material litigation has been added..
- b) Under ‘Outstanding Taxation Matters involving our Company, Directors, Promoter, Promoter Group, KMP and Subsidiaries’, litigations involving key managerial personnel have been added.
- c) Under ‘Tax Claims’ ,Litigations Involving Key Managerial Personnel (KMPs) has been added.

11. The Following Changes or Updation have been incorporated under the chapter “Government and Other approval” of the Draft Red Herring Prospectus:

- a) Under ‘Material approvals applied for but not received’, the column status has been added.
- b) Under “Intellectual Property Owned by Our Company”, certain trademarks have been removed.

12. The Following Changes or Updation have been incorporated under the chapter “Other Regulatory and Statutory Disclosures” of the Draft Red Herring Prospectus:

- a) Under ‘NSE Eligibility Norms’, FCFE table has been revised and updated.

13. The Following Changes or Updation have been incorporated under the chapter “Management Discussion and Analysis of Financial Conditions and Results of Operations” of the Draft Red Herring Prospectus:

- a) Under ‘Key Financial performance’, Interest Coverage Ratio has been added.
- b) Under ‘Related Party Transaction’, the table has been revised and updated.

Point to be Noted:

There may be additional changes in the relevant pages of the RHP, in order to incorporate the above stated changes.

The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable, and the aforementioned changes are to be read in conjunction with the Draft Red Herring Prospectus. Accordingly, appropriate references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. Unless further updated, the changes pursuant to this Addendum, including the consequent changes to the relevant portions of the Draft Red Herring Prospectus, as a result of the above mentioned changes, there will be suitable updating in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, the SEBI and the Stock Exchange. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision and should read the Red Herring Prospectus, as and when it is filed with the RoC, the SEBI and the Stock Exchange before making an investment decision with respect to the Issue.

The Equity Shares issued in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Date: 02-02-2026 Place: Ludhiana, Punjab	On behalf of Madhur Knit Crafts Limited Nikita Tayal Company Secretary and Compliance Officer
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE



SKI CAPITAL SERVICES LIMITED
SEBI Registration No.: INM000012768
Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005
Telephone No: +91-011-41189899
Website: skicapital.net
Email ID: mkcl@skicapital.net
Contact Person: Mr. Ghanisht Nagpal/ Ms. Swati Jha

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
SEBI Registration No.: INR000003241
Address: D-153A, First Floor, Okhla Industrial Area, Phase-I
New Delhi -110020
Telephone No: 011-40450193-97
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Contact Person: Mr. Anuj Rana

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE

[●]

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date. Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Issuer and Industry Related Terms

Terms	Description
Stakeholder Relationship Committee	The Stakeholder Relationship Committee of our Company constituted June 12, 2025, on in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” beginning on page 160 of this Draft Red Herring Prospectus.

SECTION II – SUMMARY OF THE ISSUE DOCUMENT

Summary of Related Party Transactions

Summary Table of Related Party Transactions

(In Lakhs)

Nature of payment	Name of related person	30.06.2025		31.03.2025		31.03.2024		31.03.2023	
		Amt	In %	Amt	In %	Amt	In %	Amt	In %
Director Remuneration	Mr. Piyush Gupta	6.03	0.09%	24.04	0.14%	18	0.17%	0	0.00%
	Mr. Chirag Gupta	6.03	0.09%	24.04	0.14%	18	0.17%	0	0.00%
	Mrs. Nitasha Gupta	4.55	0.07%	18.04	0.11%	12	0.11%	0	0.00%
Total		16.61	0.25%	66.13	0.39%	48	0.44%	0	0.00%
Remuneration	Nikita Tayal	0.75	0.01%	0.77	0.00%	0	0.00%	0	0.00%
Total		0.75	0.01%	0.77	0.00%	0	0.00%	0	0.00%
Rent	Mrs. Sangeeta Gupta	0.79	0.01%	3	0.02%	0	0.00%	0	0.00%
	M/s National Yarn Agency	0.79	0.01%	3	0.02%	0	0.00%	0	0.00%
Total		1.58	0.02%	6	0.03%	0	0.00%	0	0.00%
Purchase	M/s National Yarn Agency	513.46	7.87%	1853.36	10.80%	186.52	1.72%	565.7	6.33%
	M/S Trimurti Hosiery Mills Pvt Ltd	3.9	0.06%	119.29	0.70%	0	0.00%	6.85	0.08%
	M/s K.C Fabrics	0.47	0.01%	1.35	0.01%	5.47	0.05%	2.42	0.03%
	Star Cottex	701.62	10.76%	2024.01	11.79%	978.39	9.03%	480.73	5.38%
	Royal Impex Pvt Ltd	3.54	0.05%	68.7	0.40%	41.14	0.38%	114.83	1.29%
Total		1222.99	18.75%	4066.71	23.69%	1211.52	11.18%	1170.53	13.10%
Sale	M/s K.C Fabrics	35.69	0.55%	183.15	1.07%	119.02	1.10%	84.03	0.94%
	Trimurti Apparels	0	0.00%	5.36	0.03%	1.24	0.01%	0	0.00%
	Shiv Kumar Bhawani Shankar	0.79	0.01%	10.22	0.06%	5.49	0.05%	6.03	0.07%
	Star Cottex	0	0.00%	0	0.00%	0	0.00%	5.67	0.06%
	Starlight Hoisery	42.86	0.66%	0	0.00%	0	0.00%	0	0.00%
	Star Spintex Pvt Ltd	5.82	0.09%	391.32	2.28%	0	0.00%	0	0.00%
Total		85.16	1.31%	590.05	3.44%	125.75	1.16%	95.73	1.07%
Loan Received	Chirag Gupta	0	0.00%	68.76	0.40%	50.51	0.47%	5	0.06%
	Arun Gupta	0	0.00%	27	0.16%	75.37	0.70%	0	0.00%
	Arun Gupta HUF	0	0.00%	3	0.02%	5	0.05%	0	0.00%
	Chirag Gupta HUF	0	0.00%	10	0.06%	2.77	0.03%	0	0.00%
	Kastoor Chand Gupta (HUF)	0	0.00%	0	0.00%	32.6	0.30%	0	0.00%
	Nitasha Gupta	0	0.00%	9.03	0.05%	53.5	0.49%	0	0.00%
	Piyush Gupta	1.08	0.02%	139.86	0.81%	7.65	0.07%	0	0.00%
	Piyush Gupta HUF	0	0.00%	41.96	0.24%	9.99	0.09%	0	0.00%
	Sangeeta Gupta	0	0.00%	10	0.06%	6.56	0.06%	0	0.00%

	Vani Gupta	0	0.00%	42	0.24%	100	0.92%	0	0.00%
Total		1.08	0.02%	351.62	2.05%	343.95	3.17%	5	0.06%
Loan Repaid	Anita Gupta	0	0.00%	0	0.00%	22.1	0.20%	0	0.00%
	Anju Gupta	0	0.00%	0	0.00%	34	0.31%	0	0.00%
	Kastoor Chand Gupta	0	0.00%	0	0.00%	2.63	0.02%	0	0.00%
	Madhur Gupta	0	0.00%	0	0.00%	13.94	0.13%	0	0.00%
	Nitasha Gupta	0	0.00%	14.95	0.09%	56.7	0.52%	0	0.00%
	Rajesh Gupta	0	0.00%	0	0.00%	4.22	0.04%	0	0.00%
	Rajesh Gupta Sons & HUF	0	0.00%	0	0.00%	17.49	0.16%	0	0.00%
	Rashmi Gupta	0	0.00%	0	0.00%	12.16	0.11%	0	0.00%
	Ravi Gupta	0	0.00%	0	0.00%	13.13	0.12%	0	0.00%
	Ravi Gupta (HUF)	0	0.00%	0	0.00%	2.71	0.03%	0	0.00%
	Ridhima Gupta	0	0.00%	0	0.00%	5	0.05%	0	0.00%
	Sangeeta Gupta	0	0.00%	0	0.00%	18.1	0.17%	0	0.00%
	Vishnu Gupta	0	0.00%	0	0.00%	74.52	0.69%	0	0.00%
	Piyush Gupta	0	0.00%	10	0.06%	8.75	0.08%	3.44	0.04%
	Piyush Gupta HUF	0	0.00%	58.66	0.34%	0	0.00%	0	0.00%
	Chirag Gupta	0	0.00%	18	0.10%	0	0.00%	4.33	0.05%
	Arun Gupta	0	0.00%	0.22	0.00%	0.5	0.00%	5	0.06%
	Arun Gupta HUF	0	0.00%	8	0.05%	0	0.00%	0.4	0.00%
	Chirag Gupta HUF	0	0.00%	13.75	0.08%	0	0.00%	0	0.00%
	Vani Gupta	0	0.00%	13.6	0.08%	24.1	0.22%	0.9	0.01%
	Vishnu Gupta HUF	0	0.00%	0	0.00%	0	0.00%	0.2	0.00%
Total		0	0.00%	137.19	0.80%	310.07	2.86%	14.27	0.16%

SECTION III – RISK FACTORS

Existing Risk Factor 1 and Risk Factor 8 will be merged at the RHP as below

1. Our Company has a high geographical concentration in Punjab, exposing us to region-specific economic, environmental, and operational risks.

Our Company derives the majority of its revenue from the state of Punjab, contributing more than 90% of total revenue over the past three fiscal years. This significant geographical concentration exposes us to risks arising from regional economic conditions, regulatory developments, political events, natural calamities, and other localised disruptions. Any adverse developments in Punjab may materially affect our business, financial condition and operational performance.

Since most of our operations, customers, and supply chain partners are located in Punjab, events such as infrastructure breakdowns, disruptions in transportation or utility services, labour unrest, changes in local government policies, or significant natural or man-made disasters may adversely affect our operations. For instance, while the specific area where our facilities are located has not been significantly impacted, certain parts of Punjab experienced severe floods in July 2025 and September 2025, which illustrate the type of risks that may affect supply chains, logistics, raw material availability, and production schedules.

Further, our facilities or those of our suppliers may experience fire incidents, operational disruptions, or restricted access due to unforeseen events. We may not be able to mitigate these risks in a timely manner, or at all, which could adversely impact our ability to distribute products or meet customer demand.

While we have not experienced any material disruptions in the past, we cannot assure you that such events will not occur in the future. Any significant disturbance in the region may lead to a substantial decline in revenues and profitability, and adversely affect our business, cash flows, financial condition, and results of operations.

The table below reflects the Company's revenue from different geographical segments over the past three fiscal years:

(In lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Punjab	6,453.57	98.95%	16,140.48	94.04%	10,117.28	93.35%	8160.86	91.36%
Others	68.88	1.05%	1,023.02	5.96%	721.18	6.65%	771.84	8.64%

Existing Risk factor 4 will be renumbered as Risk Factor 2 at the time of the RHP as below

2. Major portion of our revenue depends upon our few customers. The loss of any one or more of our major customers would have a material adverse effect on our business operations and profitability.

We derive a major portion of our revenue from a few customers and the details of contribution of our top 1,3,5 and 10 customers to our total revenue from operations for the stub period ended on June 30, 2025 and for the periods ended March 31, 2025, March 31,2024, and March 31,2023, have been set out below:

(In Lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Customer	788.25	12.09%	833.41	4.86%	1,174.36	10.84%	642.93	7.20%
Top 3 Customers	2,250.65	34.51%	2,422.59	14.11%	2,646.69	24.42%	1,761.75	19.72%
Top 5 Customers	2,769.53	42.46%	3,689.06	21.49%	3,296.28	30.41%	2,719.79	30.45%
Top 10 Customers	3,473.22	53.25%	5,861.53	34.15%	4,492.75	41.45%	4,332.58	48.50%

The above table highlights that a significant portion of our revenue is concentrated among a few customers, with the top 10 customers together contributing 53.25% of total revenue in June 30, 2025, 34.15% in Fiscal 2025, 41.45% in Fiscal 2024, and 48.50% in Fiscal 2023. This customer concentration underscores the importance of maintaining strong relationships with our key clients. Any loss or reduction in business from these customers, or changes in their purchasing patterns, could materially impact our revenue, profitability, and overall financial performance.

Existing Risk factor 10 will be renumbered as Risk Factor 3 at the time of the RHP as below

3. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.

Our Company has reported certain negative cash flows from operating activities, investing activities and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

(In Lakhs)

Particulars	June 30, 2025	March 31 2025	March 31 2024	March 31 2023
Net Cash from Operating Activities	-265.38	-177.11	-597.05	-4.78
Net Cash from Investing Activities	-1.32	-438.42	-1,340.92	-132.20
Net Cash used in Financing Activities	258.73	606.00	1,949.68	129.41

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 make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled “**Restated Financial Information**” beginning on Page 43 of this Red Herring Prospectus.

Existing Risk factor 6 will be renumbered as Risk Factor 4 at the time of the RHP as below

4. A substantial portion of our raw materials is sourced from a limited number of suppliers. Any disruption in supply, increase in prices, or inability of these suppliers to meet quality or delivery requirements could materially and adversely affect our operations, production schedules, and profitability.

The Company sources a significant portion of its raw materials and products from a limited number of suppliers. For the three months ended June 30, 2025, the top 3 suppliers accounted for 33.53% of total procurement, the top 5 suppliers for 44.80%, and the top 10 suppliers for 61.35%. In Fiscal 2025, the top 3 suppliers contributed 34.70% of total procurement, the top 5 suppliers 42.79%, and the top 10 suppliers 54.23%. In comparison, during Fiscal 2024, the top 3 suppliers accounted for 27.46% and the top 10 suppliers for 51.74%, while in Fiscal 2023, the top 3 suppliers contributed 29.70% and the top 10 suppliers 64.00%.

This concentration exposes the Company to risks associated with the loss, disruption, or change in terms of key suppliers. Any interruption in the supply chain, increase in prices, or failure of these suppliers to meet quality and delivery standards could materially affect the Company’s operations, production schedules, cost structure, and profitability. The Company’s ability to diversify its supplier base and maintain strong relationships with key suppliers is critical to mitigating such risks.

(In Lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 3 Supplier	1,510.96	33.53%	4,662.27	34.70%	2,049.85	27.46%	4,785.30	29.70%
Top 5 Supplier	2,018.79	44.80%	5,748.91	42.79%	2,664.34	35.69%	3,185.33	42.60%
Top 10 Supplier	2,764.65	61.35%	7,286.64	54.23%	3,862.71	51.74%	4,785.30	64.00%

Existing Risk factor 7 will be renumbered as Risk Factor 5 at the time of the RHP as below

5. A significant portion of our raw materials is sourced from Punjab, and any disruption in this region could materially affect our operations, production, and financial performance.

The Company sources a significant portion of its raw materials from the state of Punjab, accounting for 98.90% of total procurement in June 30, 2025, 55.13% in Fiscal 2025, 52.21% in Fiscal 2024, and 64.13% in Fiscal 2023. This high geographical concentration exposes the Company to risks arising from regional economic, political, or environmental developments. Any adverse events in Punjab, such as supply disruptions, natural disasters, regulatory changes, or logistical challenges, could materially impact the Company’s operations, production schedules, and financial performance. The Company’s reliance on a single region for a major portion of its raw material requirements increases its vulnerability to such regional risks.

Exiting Risk Factor 2 will be renumbered as Risk Factor 8 and the Summary table will be updated at the time of RHP as below:

8. Our Company has entered into certain related party transactions and may continue to do so in the future.

Summary Table of Related Party Transactions

(In Lakhs)

Nature of payment	Name of related person	30.06.2025		31.03.2025		31.03.2024		31.03.2023	
		Amt	In %	Amt	In %	Amt	In %	Amt	In %
Director Remuneration	Mr. Piyush Gupta	6.03	0.09%	24.04	0.14%	18	0.17%	0	0.00%
	Mr. Chirag Gupta	6.03	0.09%	24.04	0.14%	18	0.17%	0	0.00%
	Mrs. Nitasha Gupta	4.55	0.07%	18.04	0.11%	12	0.11%	0	0.00%
Total		16.61	0.25%	66.13	0.39%	48	0.44%	0	0.00%
Remuneration	Nikita Tayal	0.75	0.01%	0.77	0.00%	0	0.00%	0	0.00%
Total		0.75	0.01%	0.77	0.00%	0	0.00%	0	0.00%
Rent	Mrs. Sangeeta Gupta	0.79	0.01%	3	0.02%	0	0.00%	0	0.00%
	M/s National Yarn Agency	0.79	0.01%	3	0.02%	0	0.00%	0	0.00%
Total		1.58	0.02%	6	0.03%	0	0.00%	0	0.00%
Purchase	M/s National Yarn Agency	513.46	7.87%	1853.36	10.80%	186.52	1.72%	565.7	6.33%
	M/S Trimurti Hosiery Mills Pvt Ltd	3.9	0.06%	119.29	0.70%	0	0.00%	6.85	0.08%
	M/s K.C Fabrics	0.47	0.01%	1.35	0.01%	5.47	0.05%	2.42	0.03%
	Star Cottex	701.62	10.76%	2024.01	11.79%	978.39	9.03%	480.73	5.38%
	Royal Impex Pvt Ltd	3.54	0.05%	68.7	0.40%	41.14	0.38%	114.83	1.29%
Total		1222.99	18.75%	4066.71	23.69%	1211.52	11.18%	1170.53	13.10%
Sale	M/s K.C Fabrics	35.69	0.55%	183.15	1.07%	119.02	1.10%	84.03	0.94%
	Trimurti Apparels	0	0.00%	5.36	0.03%	1.24	0.01%	0	0.00%
	Shiv Kumar Bhawani Shankar	0.79	0.01%	10.22	0.06%	5.49	0.05%	6.03	0.07%
	Star Cottex	0	0.00%	0	0.00%	0	0.00%	5.67	0.06%
	Starlight Hoisery	42.86	0.66%	0	0.00%	0	0.00%	0	0.00%
	Star Spintex Pvt Ltd	5.82	0.09%	391.32	2.28%	0	0.00%	0	0.00%
Total		85.16	1.31%	590.05	3.44%	125.75	1.16%	95.73	1.07%
Loan Received	Chirag Gupta	0	0.00%	68.76	0.40%	50.51	0.47%	5	0.06%
	Arun Gupta	0	0.00%	27	0.16%	75.37	0.70%	0	0.00%
	Arun Gupta HUF	0	0.00%	3	0.02%	5	0.05%	0	0.00%
	Chirag Gupta HUF	0	0.00%	10	0.06%	2.77	0.03%	0	0.00%
	Kastoor Chand Gupta (HUF)	0	0.00%	0	0.00%	32.6	0.30%	0	0.00%
	Nitasha Gupta	0	0.00%	9.03	0.05%	53.5	0.49%	0	0.00%
	Piyush Gupta	1.08	0.02%	139.86	0.81%	7.65	0.07%	0	0.00%
	Piyush Gupta HUF	0	0.00%	41.96	0.24%	9.99	0.09%	0	0.00%
	Sangeeta Gupta	0	0.00%	10	0.06%	6.56	0.06%	0	0.00%
	Vani Gupta	0	0.00%	42	0.24%	100	0.92%	0	0.00%
Total		1.08	0.02%	351.62	2.05%	343.95	3.17%	5	0.06%
Loan Repaid	Anita Gupta	0	0.00%	0	0.00%	22.1	0.20%	0	0.00%
	Anju Gupta	0	0.00%	0	0.00%	34	0.31%	0	0.00%

	Kastoor Chand Gupta	0	0.00%	0	0.00%	2.63	0.02%	0	0.00%
	Madhur Gupta	0	0.00%	0	0.00%	13.94	0.13%	0	0.00%
	Nitasha Gupta	0	0.00%	14.95	0.09%	56.7	0.52%	0	0.00%
	Rajesh Gupta	0	0.00%	0	0.00%	4.22	0.04%	0	0.00%
	Rajesh Gupta Sons & HUF	0	0.00%	0	0.00%	17.49	0.16%	0	0.00%
	Rashmi Gupta	0	0.00%	0	0.00%	12.16	0.11%	0	0.00%
	Ravi Gupta	0	0.00%	0	0.00%	13.13	0.12%	0	0.00%
	Ravi Gupta (HUF)	0	0.00%	0	0.00%	2.71	0.03%	0	0.00%
	Ridhima Gupta	0	0.00%	0	0.00%	5	0.05%	0	0.00%
	Sangeeta Gupta	0	0.00%	0	0.00%	18.1	0.17%	0	0.00%
	Vishnu Gupta	0	0.00%	0	0.00%	74.52	0.69%	0	0.00%
	Piyush Gupta	0	0.00%	10	0.06%	8.75	0.08%	3.44	0.04%
	Piyush Gupta HUF	0	0.00%	58.66	0.34%	0	0.00%	0	0.00%
	Chirag Gupta	0	0.00%	18	0.10%	0	0.00%	4.33	0.05%
	Arun Gupta	0	0.00%	0.22	0.00%	0.5	0.00%	5	0.06%
	Arun Gupta HUF	0	0.00%	8	0.05%	0	0.00%	0.4	0.00%
	Chirag Gupta HUF	0	0.00%	13.75	0.08%	0	0.00%	0	0.00%
	Vani Gupta	0	0.00%	13.6	0.08%	24.1	0.22%	0.9	0.01%
	Vishnu Gupta HUF	0	0.00%	0	0.00%	0	0.00%	0.2	0.00%
Total		0	0.00%	137.19	0.80%	310.07	2.86%	14.27	0.16%

Existing Risk factor 9 will be updated at the time of RHP as below

9. Our business is seasonal in nature.

Quarters	F.Y.2022-23	F.Y.2023-24	F.Y.2024-25
QTR-1 (April to June)	1,140.86	1,665.86	3,502.22
QTR-2 (July to Sep)	1,815.75	2,285.90	3,879.05
QTR-3 (Oct to Dec)	3,129.28	2,835.58	4,595.53
QTR-4 (Jan to Mar)	2,846.81	4,051.11	5,186.70
Total	8,932.70	10,838.45	17,163.50

Existing Risk factor 34 will be renumbered as Risk Factor 10 at the time of the RHP as below

10. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”.

The fund requirement and deployment plan, as mentioned in the “*Objects of the Issue*” on page 16 of this Draft Red Herring Prospectus, is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “*Objects of the Issue*” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

Existing Risk factor 14 will be updated at the time of RHP as below

14. Potential conflicts of interest with our Group Company may affect our business.

Nonetheless, situations of conflict may arise concerning business opportunities, customers, suppliers, or use of resources, as both companies operate in related sectors. The Company and its group company, Star Cottex Limited, have entered into a non-compete agreement dated September 09, 2025 to minimise any potential overlap in business operations. Further, the Company confirms that it will adopt appropriate measures permitted by law, including adherence to corporate governance requirements, arm's length dealings, and transparent business practices, to mitigate potential conflicts and safeguard the interests of our shareholders while engaging with Star Cottex Limited.

Existing Risk factor 51 will be renumbered as Risk Factor 20 at the time of the RHP as below

20. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule.

Our requirements for proposed funds for our expansion as described in the section titled "**Objects of the Issue**" is to be funded from the proceeds of this IPO. Other than this offering, we have not identified any alternate source of funding and any delay or failure to mobilize the required funding or any shortfall in the issue proceeds may delay the implementation schedule. Further, we cannot provide any assurance that we would be able to execute our plans/strategy within the given timeframe. For details, kindly refer to the chapter titled "**Objects of the Issue**" on page **Error! Bookmark not defined.**

New Risk factor will be added in the place of Existing Risk Factor 21 at the time of the RHP.

21. Our Company's Dependence on Short-Term Rental Agreements for Operational Premises

The Company operates from premises taken on rental agreements with a tenure of 11 months. Such agreements do not provide long-term security of tenure and are subject to renewal at the discretion of the respective landlords. There is no assurance that these agreements will be renewed upon expiry, or that renewal, if any, will be on commercially acceptable terms, including rental rates and other conditions. Non-renewal or termination of these agreements may require the Company to shift its operations, which could result in disruption of business activities, increased relocation and setup costs, operational delays, and temporary loss of productivity. Further, the short tenure of these agreements may restrict the Company's ability to undertake long-term operational planning or make significant investments in fixed assets at such locations. Any such disruption or uncertainty may have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assurance that such events may not occur in the future.

For Further details please refer to the chapter '**Our Business**'- **Properties** in page no 123 of the Draft Red Herring Prospectus.

Existing Risk factor 36 will be updated at the time of RHP as below

36. Past delays in filings and incomplete documentation may expose the company to regulatory penalties, scrutiny, and reputational risks, potentially affecting operations and future fundraising.

During the period under review, the Company did not have a Company Secretary to guide on Company Law compliances. Currently, the Company has appointed a Company Secretary along with experienced consultants to ensure all legal compliances are properly managed.

Existing Risk Factor 36 will be updated at the RHP as below:

36. Our company has experienced delays and defaults in the payment of statutory dues, including taxes, duties, and other government levies.

The Company had previously experienced minor delays in meeting certain statutory payment obligations, including taxes, duties, and contributions to regulatory authorities such as GST, primarily due to technical issues and website glitches.

Financial Year	Return Type	Month	Period of Delay (No of Days)
2022-23	GSTR3B	March	1
2023-24	GSTR3B	March	3
2022-23	GSTR1	June	2
2024-25	GSTR1	April	3
2023-24	GSTR9		8
2023-24	GSTR9C		8

The Company has experienced delays in the deposit of statutory employee welfare contributions, including EPF and ESI, for certain periods. Such delays arose due to operational challenges, including payroll processing delays and technical issues encountered during the payment window. Although the Company has subsequently deposited the outstanding amounts along with applicable interest and late fees, any recurrence of such delays may expose the Company to penalties, interest liabilities, regulatory scrutiny, reputational risk, and potential litigation. Failure to ensure timely compliance with applicable labour and social security laws could adversely affect the Company's financial condition, results of operations, and cash flows.

Apart from these instances, there have been no other delays in meeting statutory payment obligations.

Existing Risk factor 38 will be updated at the time of RHP as below

38. We cannot assure you that we will be able to secure adequate financing in future on acceptable terms, in time, or at all.

We may require additional funds in connection with future business expansion and development initiatives. In addition to our existing available funds, we may need additional sources of funding to meet our future requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt-to-equity ratio, which currently stands at 2.22, to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

Negative past instances confirmation will be add to Risk Factor 40 at the time of the RHP.

40. Any disputes with customers regarding product quality, performance, or logistics services may lead to delayed or withheld payments, which could materially and adversely affect our business, operations, and financial condition.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assurance that such events may not occur in the future.

Negative past instances confirmation will be add to Risk Factor 53 at the time of the RHP.

53. Our inability to establish internal control systems could cause operational errors which may adversely affect our business.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

All the Risk Factors will be subsequently renumbered in the RHP pursuant to the above changes being made.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

Registered and Corporate Office of our Company

Madhur Knit Crafts Limited

CAPITAL STRUCTURE

Details of promoter's contribution and lock-in

Name of Promoters	No. of Locked-in Shares	Date of Allotment/Transfer	Nature of Transaction	Face Value (Rs.)	Offer/Acquisition Price (Rs)	% of Pre-Offer Capital	% of Post-Offer Capital**
Arun Gupta	16,00,000	22.02.2024	Gift	10	Nil	11.93%	[●]
Piyush Gupta	8,00,000	22.02.2024	Gift	10	Nil	5.97%	[●]
Chirag Gupta	15,00,000	22.02.2024	Gift	10	Nil	11.19%	[●]
Total	39,00,000					29.08%	[●]

OBJECTS OF THE ISSUE

Details of the Objects of the Fresh Issue

1. Funding capital expenditure for the purchase of Solar panels.

Benefits arising out of this capital expenditure.

1.Reduction in Energy Costs

Based on annualised electricity consumption, the Company's grid power usage is estimated at 37.19 lakh units, with a corresponding electricity cost of approximately ₹3.04 crore. The solar power plant is expected to generate approximately 20.25 lakh units per annum (around 1.69 lakh units per month), resulting in estimated annual electricity cost savings of approximately ₹1.42 crore.

Particulars	Units (kVAh)	Annual Cost (₹ lakh)
Annualised Grid Power Consumption (Pre-Solar)	37,19,840	304.06
Electricity Generated from Solar Power	(20,25,000)	(141.75)
Net Grid Power Consumption (Post-Solar)	16,94,840	162.31
Estimated Annual Savings	—	141.75

Post adjustment for solar power generation, the Company's net grid power consumption is expected to reduce to approximately 16.95 lakh units per annum, with an estimated residual electricity cost of approximately ₹162.31 lakh, representing a reduction of nearly 47% in annual electricity expenditure.

2.Efficient Utilization of Excess Power

The proposed 1,500 kW solar plant is expected to generate about 1,68,750 units of electricity per month. At times, especially when production is lower, the electricity generated may be more than the Company's immediate requirement. Any excess power will be sent back to the grid under the net-metering system. This will reduce the amount of electricity purchased from the grid at other times. At the current power cost of ₹7 per unit, this arrangement supports the estimated monthly savings of about ₹11.81 lakh and improves the overall financial benefits of the project.

3.Enhanced Operational Efficiency

The solar plant will supply a part of the Company's electricity needs directly at the manufacturing facility, especially during operations. With annual electricity costs estimated at ₹3.04 crore for FY 2026, using solar power will reduce dependence on grid electricity and limit the impact of power cuts, tariff changes, or supply disruptions. This reliable power supply will help ensure smooth manufacturing operations, improve energy security, and support stable operations over the long term.

4.Sustainability and Environmental Responsibility

The adoption of renewable solar energy will contribute to a reduction in the Company's carbon footprint by replacing a portion of grid-based electricity with clean energy. This supports the Company's sustainability initiatives and aligns with evolving ESG expectations of investors, regulators, and customers.

5.Long-Term Reliability and Performance

The proposed solar power plant will utilise high-efficiency solar modules incorporating N-Type TOPCon technology, supported by supplier performance warranties on solar modules and inverters. This is expected to ensure consistent energy generation, long service life, and reliable performance over the operating life of the plant.

6.Strategic Competitive Advantage

The investment reinforces the Company's commitment to renewable energy adoption, operational excellence, and cost optimisation. Strong project economics, including a payback period of approximately 2.46 years, an XIRR of approximately 36.76%, and cumulative cash flows turning positive in Year 3, enhance long-term shareholder value and strengthen the Company's brand and competitive positioning.

7. Tax Efficiency

The project is eligible for accelerated depreciation at 40% on a written-down value basis, resulting in significant tax benefits in the initial years of operation. These tax benefits enhance post-tax cash flows and improve overall project viability.

8. Turnkey Project Execution

The project will be executed on a turnkey basis, covering design, engineering, supply, installation, testing, and commissioning by the appointed contractor. This approach will ensure seamless implementation with minimal operational disruption and timely commissioning of the solar power plant.

2. Working Capital Requirements

The Company proposes to utilise a portion of the net proceeds of the Issue towards meeting its working capital requirements to support inventory procurement, receivables management, and ongoing operational activities. ~~Our business is working capital intensive, and we fund a majority of our working capital requirements in the ordinary course of business from banks, and through our internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Year ending March 31, 2026 and March 31, 2027. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan. We intend to utilise Rs. 1410.00 Lakhs from the Net Proceeds to fund working capital requirements of our Company in the Financial Years ended March 31, 2026 and March 31, 2027.~~

Rationale For Raising Additional Working Capital

Following Table reflects working capital parameters as % of revenue:

Particulars	31.03.23	31.03.24	31.03.25	30.06.25*
	(Actual)	(Actual)	(Actual)	(Actual)
Trade Receivable as % of revenue	15.71%	26.13%	22.27%	22.66%
Inventory as % of revenue	33.16%	21.88%	22.69%	12.88%
Trade Payable as % of revenue	13.77%	11.26%	9.13%	9.23%
Working Capital Requirement as % of Revenue	38.16%	41.48%	37.21%	40.97%

*Annualised

3. Prepayment or repayment of a portion of certain outstanding borrowings availed by our Company

We propose to utilise an amount of ₹1,740.00 lakhs from the Net Proceeds towards repayment or prepayment, ~~in part or full~~ of certain borrowings aggregating to ₹1,745.66 lakhs, as listed in the table below of which certain of the borrowings pertains to term loans availed by our Company. The NOC has been received from the lenders.

(In Lakhs)

S. No	Lender Name	Type of Loan	Date of Sanction letter	Date of first disbursement of loan	Purpose of Loan	Amount sanctioned as per sanction letter	Tenure (in months)	Interest Rate	Loan amount availed and Utilised	Amt outstanding on August 31, 2025 *	Repayment from IPO Proceeds	Amt outstanding after repayment ^	Terms & conditions including prepayment
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1	Aditya Birla Finance Limited	Unsecured Loan	14.09.2023	14.09.2023	Business Loan Purchase of Fixed Assets	50	36	15.5	50	22.22	22.22	-	-
2	Axis Bank Limited	Unsecured Loan	18.09.2023	18.09.2023	Business Loan Purchase of Fixed Assets	40	24	1 year MCL R+ Spread 6.35 %	40	1.63	1.63	-	-
3	Fedbank Financial Services Limited	Unsecured Loan	22.08.2023	22.08.2023	Business Loan Purchase of Fixed Assets	30	36	15	30	12.41	12.41	-	-
4	Fullerton India Credit Co. Limited	Unsecured Loan	06.09.2023	06.09.2023	Business Loan Purchase of Fixed Assets	50	37	15.5	50	22.22	22.22	-	-
5	ICICI Bank Limited	Unsecured Loan	13.09.2023	13.09.2023	Business Loan Purchase of Fixed Assets	50	36	15	50	20.64	20.64	-	-
6	Idfc Bank Limited	Unsecured Loan	13.09.2023	13.09.2023	Business Loan Purchase of Fixed Assets	76.5	36	15.5	76.5	34	34	-	-
7	Indusind Bank Limited	Unsecured Loan	07.09.2023	07.09.2023	Business Loan Purchase of Fixed Assets	50	36	15.5	50	20.67	20.67	-	-
8	Kisetsu Saison Finance (I) Private Limited	Unsecured Loan	25.02.2025	25.02.2025	Business Loan Day to day operations includi	45	30	15.5	45	12.05	12.05	-	-

					ng Workin g capital								
9	Kotak Mahindra Bank Limited	Unsecured Loan	18.09.2023	18.09.2023	Business Loan Purchase of Fixed Assets	40	24	15	40	1.91	1.91	-	-
10	L & T Financial Limited	Unsecured Loan	18.09.2023	18.09.2023	Business Loan Purchase of Fixed Assets	50.1	36	16	50.1	20.76	20.76	-	-
11	Tata Capital Financial Services Limited	Unsecured Loan	24.02.2025	24.02.2025	Business Loan Day to day operations including Working capital	60	36	15.5	60	53.23	53.23	-	-
12	Yes Bank	Unsecured Loan	28.02.2025	28.02.2025	Business Loan Day to day operations including Working capital	50	36	15.5	50	43.68	43.68	-	-
13	Bajaj Finance Limited	Unsecured Loan	21.02.2025	21.02.2025	Business Loan Day to day operations including Working capital	30.98	36	17	30.98	27.55	27.55	-	-
14	Cholaman dalam Invest And Fin. Company	Unsecured Loan	20.02.2025	20.02.2025	Business Loan Day to day operations	35	37	17	35	31.13	31.13	-	-

					including Working capital								
15	Godrej Finance Limited	Unsecured Loan	20.02.2025	20.02.2025	Business Loan Day to day operations including Working capital	40.8	48	16	40.8	37.66	37.66	-	-
16	Hero Fincorp Limited	Unsecured Loan	26.02.2025	26.02.2025	Business Loan Day to day operations including Working capital	40.42	36	16.5	40.42	35.92	35.92	-	-
17	IIFL Finance Limited	Unsecured Loan	18.02.2025	18.02.2025	Business Loan Day to day operations including Working capital	30.35	36	17	30.35	25.87	25.87	-	-
18	Kisetsu Saison Finance (I) Private Limited	Unsecured Loan	25.02.2025	25.02.2025	Business Loan Day to day operations including Working capital	28.4	30	16.5	28.4	24.44	24.44	-	-
19	Piramal Finance	Unsecured Loan	04.03.2025	04.03.2025	Business Loan Day to day operations	30.31	36	17	30.31	26.95	26.95	-	-

					including Working capital								
20	Poonawalla Fincorp Limited	Unsecured Loan	17.02.2025	17.02.2025	Business Loan Day to day operations including Working capital	40.79	36	17	40.79	36.79	36.79	-	-
21	Shriram Finance Limited	Unsecured Loan	21.02.2025	21.02.2025	Business Loan Day to day operations including Working capital	50	36	16.5	50	44.45	44.45	-	-
22	HDFC Bank Limited	Secured Loan	20.12.2023	20.12.2023	Working Capital Day to day operations including Working capital	1,200.00	96	2.37% + Repo Rate	1200	1123.63	1123.63	-	-
23	HDFC Bank Limited	Secured Loan	01-06-2022	01-06-2022	Working Capital Day to day operations including Working capital	100	91	2.35% + Repo Rate	100	65.85	60.19	-	-
	Total								2218.64	1745.66			

There are no defaults in respect of payment of interest and/or principal of the loan in the prior 3 years.

General Corporate Purpose

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs 10 crores whichever is less and shall be in compliance with all applicable laws & regulations.

Interim Use of Funds

Pending utilization for the purposes described above, we shall keep the funds in a separate monitoring account with [●], a scheduled commercial bank included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time and in compliance with all applicable laws & regulations, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

BASIS FOR ISSUE PRICE

3. Industry Price / Earning (P/E) Ratio

~~As on the date of this Draft Red Herring Prospectus, there are no listed peers comparable to our Company.~~

Currently, our Company has only one listed competitor, i.e. company engaged in comparative lines of business:

Particulars	P/E Ratio
Highest	7.91
Lowest	7.91
Average	7.91

Notes: P/E ratio has been computed based on the closing market price of equity shares on NSE as on November 17, 2025, divided by the diluted EPS for the year ended March 31, 2025

6. Comparison of Accounting Ratios with listed industry peers

Name	CMP	Face Value	Revenue	Basic EPS	Diluted EPS	Price to earnings	RONW	NAV per equity shares
Madhur Knit Crafts Limited	[●]	10	17163.50	8.35	8.35	[●]	37.42%	22.31
Peer Group								
Kaytex Fabrics Ltd	87.00	10	15481.55	11.00	11.00	7.91	32.50%	33.84

Source: All the financial information for listed industry peers mentioned above is on a Consolidated basis as available sourced from the financial Reports of the peer company uploaded on the NSE website for the year ended March 31, 2025

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE website on November 17, 2025, divided by the Diluted EPS.
2. RONW is computed as net profit after tax divided by the net worth. Net worth has been computed as the sum of share capital and reserves and surplus.
3. NAV is computed as net worth divided by the outstanding weighted number of equity shares during the period.
4. Listed peer are as identified by the management and relied upon by us, based on the following reasoning:
 - a. Similar to our company, Kaytex Fabrics Limited operates as a fabric manufacturer. They also manage the complete production process; from yarn to finished fabric.

11. Key Financial & Operational Performance Indicators (KPIs)

- (i) A list of our KPIs for the stub period ended on June 30, 2025 and for the financial years ended 31 March 2025, 31 March 2024 and 31 March 2023.

Key Performance Indicator	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23
Non-GAAP Financial Measures				
Interest Coverage Ratio	2.68	3.42	1.46	1.32

- (v) Key Financial & Operational Performance Indicators (KPIs) in comparison to industry peers

(In Lakhs)

Key Performance Indicator	Madhur Knit Crafts Limited				Kaytex Fabrics Ltd			
	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23
<u>GAAP Financial Measures</u>								
Revenue from operations	6,522.45	17,163.50	10,838.45	8,932.70	NA	15,278.73	12,494.14	9,918.84
Year-on-year growth in Revenue from Operations	-	58.36%	21.33%	15.41%	NA	22.29%	25.96%	20.58%
PAT	301.72	1,103.25	170.43	90.31	NA	1,690.47	1,130.80	559.14
PAT Margin (%)	4.63%	6.43%	1.57%	1.01%	NA	11.06%	9.05%	5.64%
Net Worth	3250.24	2,948.52	1,624.24	1,453.80	NA	5,007.20	3,354.73	2,113.65
Debt	7,218.88	6,719.98	5,778.53	3,417.53	NA	3,814.82	3,550.84	2,701.11
Current Ratio	1.41	1.48	1.41	1.33	NA	1.71	1.80	1.58
Debt-Equity Ratio	2.22	2.28	3.56	2.35	NA	0.76	1.06	1.28
<u>Non-GAAP Financial Measures</u>								
EBITDA	707.34	2,327.52	804.4	551.11	NA	3,006.22	2,242.60	1,278.83
EBITDA Margin (%)	10.84%	13.56%	7.42%	6.17%	NA	19.68%	17.95%	12.89%
ROE (%)	9.28%	37.42%	10.49%	6.21%	NA	33.76%	33.71%	26.45%
ROCE (%)	10.03%	33.49%	13.09%	13.78%	NA	37.07%	34.28%	27.52%
Cash Profit after tax	366.35	1,340.45	349	254.78	NA	2,113.02	1,469.48	751.22
Operating Cash flow	-265.38	-177.11	-597.05	-4.78	NA	1,297.22	90.16	653.16
<u>Operational Measures</u>								
Trade Receivable Days	82	81	95	57	NA	85	83	95
Trade Payable Days	43	48	56	64	NA	77	62	73
Inventory Days	61	119	108	155	NA	137	125	73
Cash Conversion Cycle	100	153	148	148	NA	145	146	95

Notes:

- Revenue from operations is the total revenue generated by our Company from the sale of products.
- Year-on-year growth in Revenue from Operations is calculated by comparing the revenue of the current year with that of the previous year
- PAT is calculated as Profit before tax – Tax Expense's
- PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- Net worth has been computed as the sum of share capital and reserves and surplus.
- Debt is calculated as the sum of all borrowings of the Company, including both long-term and short-term borrowings.
- Current Ratio is calculated as Current Assets divided by Current Liabilities.
- Debt-Equity Ratio is calculated as Total Debt divided by Shareholder's Equity.
- EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's -Others Income
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- Return on Equity is ratio of Profit after Tax and Shareholder Equity.
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Total Assets minus Current Liability.
- Cash flow operation is calculated by added depreciation to the Profit after tax.
- Operating Cash Flow is the restated cash flow of our operations.
- Trade Receivable Days are calculated by dividing the total trade receivables by the revenue earned during the period and then multiplying the result by 365 (or 91 for the stub period ending June, 2025).
- Trade Payable Days are determined by dividing the total trade payables by the COGS during the period and multiplying the outcome by 365 (or 91 for the stub period ending June, 2025).
- Inventory Days are determined by dividing the total inventory by the COGS during the period and multiplying the outcome by 365 (or 91 for the stub period ending June, 2025).
- Cash Conversion Cycle is determined by adding Trade Receivable Days and Inventory Days, then subtracting Trade Payable Days from the total.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
M/s. Madhur Knit Crafts Limited,
Village Seera road, Ludhiana

Sub: Statement of Possible Special Tax Benefits Available to M/s. Madhur Knitcrafts Limited (“the Company”) and its shareholders under direct and indirect tax laws

Dear Sirs,

We refer to the proposed initial public offering of equity shares (the “Offer”) of the Company. We hereby confirm the enclosed herewith the annexure prepared and issued by the Company (“Statement”), showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962, the Customs Tariff Act, 1975, and Foreign Trade Policy 2023 (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Draft Red-Herring Prospectus/ Red-herring Prospectus/ Prospectus (“Offer Document”) for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company’s management.. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. 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 who may or may not invest in the proposed issue relying on the statement. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met
3. the revenue authorities courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed 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 interpretation of the existing tax 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 who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

Yours sincerely,

For VV Bhalla & Co.
Chartered Accountants
Firm Registration No: 002928N

Pankaj Bhalla
Partner
Membership No: 534281
Peer Review No: 017423

UDIN: 25534281BMISZW8574
Date: 15-10-2025
Place: Ludhiana

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

Direct Taxation

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 Finance Act, 2024 i.e., applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has not opted for section 115BAA for the assessment year 2024-25 but will opt for Section 115BAA for the assessment year 2025-26

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain income(s)

A domestic company receiving dividend is eligible to claim deduction under section 80M of the Act on fulfilling certain conditions.

Where shares are held as capital assets for more than 12 months immediately preceding its date of transfer, then as per section 112A of the Act, long-term capital gains arising from transfer of an equity share through the recognized stock exchange, should be taxed at 12.5% (plus applicable surcharge and cess), without indexation benefit, subject to fulfillment of prescribed conditions under the Act. Tax shall be levied on capital gains exceeding INR 1,25,000.

Where shares are held as capital assets for 12 months or less, (as per Section 111A of the Act), short term capital gains arising inter alia from transfer of an equity share through the recognized stock exchange, should be taxed at 20% (plus applicable surcharge and cess) subject to fulfillment of prescribed conditions under the Act.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the Act and it is further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the relevant country subject to entitlement.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017/ Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (collectively the "GST act"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2023 ("FTP") (collectively referred as "Indirect Tax laws").

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under indirect tax laws.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

Apart from above, the Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax laws.

SECTION V: ABOUT THE COMPANY

OUR BUSINESS

A. Primary Business

The video will be removed at the time of the RHP.

C. Plant and Machinery, Technology, Process

*Above mention list of machinery is only for illustrative purposes and not exhaustive in nature and are used for substantial transformation of the products and are critical for business operations. All machinery is owned by the Company, we do not operate any leased machinery.

F. Infrastructure and capacity utilization

Year	Installed Capacity (Annual in KGs)	Capacity Utilisation (Annual in KGS)	% of Capacity Utilisation
2022-2023	24,00,000	18,94,542	78.9
2023-2024	37,50,000	30,07,564	80.2
2024-2025	75,00,000	48,38,190	64.5
April 2025 to June 2025	75,00,000	11,85,126	15.80

The capacity utilization is based on the certificate issued by a Chartered Engineer, dated December 31, 2025.

I. Important events of our company

For further information please refer to the chapter “*Our History and Other Corporate Matters*” on page no 156 of the company.



1997	Madhur Knit Crafts Private Limited was incorporated under the Companies Act, 1956 by its Promoter, Mr. Arun Gupta, with the objective of establishing our Company in the textile manufacturing sector.
2013	Our Company commenced its commercial operations with a focus on manufacturing blankets, thereby establishing a presence in the winter textile segment.
2021	To achieve strategic diversification, our Company expanded its product portfolio into fabrics and technical textiles, including value added products such as chemically coated and laminated fabrics for industrial applications.
2022	Our Company undertook a structured capital expenditure program to enhance its manufacturing capabilities, automation, and infrastructure, supporting scalability and operational efficiency.
2023	Our Company achieved a key milestone by surpassing ₹100 Crores in annual revenue, driven by greater market penetration, product diversification, and consistent demand across its business verticals.
2024	As part of its technological upgradation strategy, our Company made a capital investment of approximately ₹10 Crores in acquiring and commissioning advanced textile machinery, thereby enhancing its production capabilities and quality standards.
2025	Our Company was converted into a public limited company and renamed Madhur Knit Crafts Limited, pursuant to a resolution passed by the shareholders, marking a new phase in its corporate journey.

J. Revenue break-up from top 10 customers

Please refer the financial highlights of this chapter “*Our Business*” of the Draft Red Herring Prospectus.

(In Lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Customer	788.25	12.09%	833.41	4.86%	1,174.36	10.84%	642.93	7.20%
Top 3 Customers	2,250.65	34.51%	2,422.59	14.11%	2,646.69	24.42%	1,761.75	19.72%
Top 5 Customers	2,769.53	42.46%	3,689.06	21.49%	3,296.28	30.41%	2,719.79	30.45%
Top 10 Customers	3,473.22	53.25%	5,861.53	34.15%	4,492.75	41.45%	4,332.58	48.50%

K. Financial highlights

Set forth below is the bifurcation of our revenue from operations

a. in terms of our product category:

(In Lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Blanket	228.93	3.51%	589.04	3.43%	552.76	5.10%	754.15	8.44%
Knitted Cloth	6046.49	92.70%	14,625.60	85.21%	8,253.03	76.15%	5,474.74	61.29%
Garments	4.37	0.07%	1,107.53	6.45%	1,442.98	13.31%	2,227.83	24.94%
Job work	203.72	3.12%	733.39	4.27%	525.84	4.85%	444.79	4.98%
Scrap	38.94	0.60%	107.94	0.63%	63.84	0.59%	31.19	0.35%
Total	6522.45	100.00%	17,163.50	100.00%	10,838.45	100.00%	8,932.70	100.00%

c. in terms of multiple locations and geographies of India:

(In Lakhs)

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Punjab	6,453.57	98.95%	16,140.48	94.04%	10,117.28	93.35%	8160.86	91.36%
Others	68.88	1.05%	1,023.02	5.96%	721.18	6.65%	771.84	8.64%

f. in terms of Customers:

Particulars	June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
No of Customer	202	497	418	366

Set forth below is the bifurcation of our expenses:

a. In terms of Outsourcing Expenses:

(In Lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Job Work	184.42	53.10	13.54
Grey Fabric	6,256.35	5,370.33	5,717.51
Total	6440.77	5423.44	5731.05
% of revenue	37.53%	50.04%	64.16%

L. Brief key financial performance indicators

Key Performance Indicator	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23
<i>Non-GAAP Financial Measures</i>				
Interest Coverage Ratio	2.68	3.42	1.46	1.32

M. Strengths of our company

6. Robust Supplier and Distribution Network

Madhur Knit Crafts has cultivated a strong supplier base within Ludhiana and other textile-producing states, enabling consistent access to high-quality yarn and greige fabric. On the distribution side, our Company maintains a broad B2B network of dealers, wholesalers, and institutional clients, along with a growing export base. A limited retail footprint for finished products like blankets further enhances market coverage. This dual-channel structure ensures wide geographical reach and revenue diversification.

N. Strategies of our company

2. Increasing Geographical Presence

As part of its long-term growth roadmap, Madhur Knit Crafts Limited intends to expand its market footprint across new domestic territories and global regions. The Company actively participates in trade fairs in the southern parts of India and seeks to further strengthen and broaden its presence in this region. To achieve this, the ~~Our~~ Company plans to actively target under-penetrated ~~regions within India through a combination of regional distribution partnerships, dealer expansion, and localized marketing initiatives.~~ domestic markets through regional expansion of its B2B business network, and localized marketing initiatives. As part of this strategy, the Company also intends to introduce and sell its knitted apparel products more extensively in these southern markets.

~~Simultaneously, it aims to revive and strengthen its international export operations by re-engaging with overseas clients, participating in global trade exhibitions, and aligning its offerings with global quality standards aimed at maintaining awareness among prospective clients.~~

P. Raw materials

b. is State Wise Bifurcation of Raw Materials Domestic purchased for the preceding three financial years

(In Lakhs)

Name of State	Jun-25		FY 24-25		FY 23-24		FY 22-23	
	Amt	In %	Amt	In %	Amt	In %	Amt	In %
Haryana	35.16	0.78%	59.75	0.45%	48.76	0.66%	0.00	0.00%
Punjab	4449.46	98.74%	13251.13	98.76%	7275.98	98.17%	7397.92	99.42%
Uttarakhand	1.88	0.04%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Delhi	0.00	0.00%	7.88	0.06%	0.00	0.00%	0.00	0.00%
U.P.	19.98	0.44%	99.19	0.74%	87.20	1.18%	12.43	0.17%
Tamil Nadu	0.00	0.00%	0.00	0.00%	0.00	0.00%	2.10	0.03%
Rajasthan	0.00	0.00%	0.00	0.00%	0.00	0.00%	28.36	0.38%
Total	4506.48	100.00%	13417.94	100.00	7411.94	100.0000	7440.81	100.00%

Q. Manufacturing Process

Manufacturing Process for Anti Pilling Fabrics

Step 6: Compaction

The dried fabric is compacted using a compactor machine to control shrinkage and bring the fabric to the desired final width and thickness. This step also improves the fabric's feel and dimensional stability, ensuring increased consistency in the finished textile product.

U. Technology

The business operations of our Company are not technology intensive. Our Company's processes are based on conventional textile manufacturing methods, and technological improvements are primarily derived from the procurement and use of state-of-the-art machinery as and when installed.

At the operational level, we utilize basic technology tools for human resource management, accounting, and inventory control. For attendance and workforce monitoring, we use biometric punching machines installed. Our accounting and inventory functions are managed through Tally Prime Gold.

X. Insurance

Particulars	As of 30th June 2025
Total Fixed Assets + Inventories (C)	6647.73
Total insurance coverage as a percentage of Fixed Assets and Inventories (%) (A/C)	143.82%

Y. Intellectual Property

Intellectual Property owned by our company

Sr. No.	Trade Mark/ Device Mark	TM Regn. No.	Class	Trademark Type	Date of Registration	Valid Up To
12	Embrace	2384750	24	Wordmark	24-08-2012	24-08-2022
14	Antaretica	2384757	24	Wordmark	24-08-2012	24-08-2022
27	Highway Tiffin	3003125	43	Wordmark	08-07-2015	08-07-2025

Z. Properties

S.N.	Detail of property location	State	Lessor/ Owner	Lease Tenure	Lease Rent	Whether lessor is a related party	Type of Property	Status of stamping/ registration	Validity
1.	Khasra No 26//6/2 (2-14) 7/2 (2-14) 8/2 (2-11), Village Seerah	Punjab	Owned by Madhur Knit Crafts Limited	NA	NA	NA	Manufacturing Facility	NA	NA
2.	Khasra No 26//3, Village Seerah	Punjab	Owned by Madhur Knit Crafts Limited	NA	NA	NA	Manufacturing Facility	NA	NA
3.	Khasra No 25//10/2, Village Seerah	Punjab	Owned by Madhur Knit Crafts Limited	NA	NA	NA	Manufacturing Facility	NA	NA
4.	Khasra No 26//4, Village Seerah	Punjab	Owned by Madhur Knit Crafts Limited	NA	NA	NA	Manufacturing Facility	NA	NA
5.	Khasra No. 18/23-18/24, Khatta No. 130/135, Village Seerah,	Punjab	Rented by Sangeeta Gupta	11 Months	26,250/-	Yes	Manufacturing Facility and Registered Office.	Not Required	24-02-2026

	Sattowal Road, Rahon Road, Ludhiana- 141007.								
6.	Khasra No. 18/23-18/24, Khatta No. 110/114, Village Seerah, Sattowal Road, Rahon Road, Ludhiana- 141007.	Punjab	Rented by National Yarn Agency	11 Months	26,250/-	Yes	Manufacturing Facility and Registered Office.	Not Required	26-02- 2026

We confirm that the properties leased from related parties are at arm's length as certified by V.V. Bhalla & Co, Chartered Accountants vide certificate dated October 15, 2025.

The above property agreements are adequately stamped in accordance with the applicable laws.

OUR MANAGEMENT

Board of Directors

Sr. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship(s)
5.	Sanjay Kapoor DIN: 10957615	59	List of Associated Companies N/A List of Associated LLPs N/A

Compensation of Managing Directors, and/or Whole-time Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our Executive Director(s):

Name	Arun Gupta
Designation	Managing Director
Date of Appointment / Change in Designation	He was originally appointed as a Director of the Company on its incorporation on August 21, 1997, and was subsequently re-designated as Managing Director from June 11, 2025.
Period	5 Years
Salary	Up to Rs. 24,00,000/- p.a.
Bonus	NA
Perquisite/Benefits	NA
Commission:	NA
Compensation/ remuneration paid during the F.Y. 2024-25	Nil ⁽¹⁾

Name	Piyush Gupta
Designation	Whole Time Director and Chief Financial Officer
Date of Appointment / Change in Designation	He was appointed as a Director since December 08, 2011 and later he re-designated as a Whole Time Director, liable to retire by rotation for a period of 5 years from February 01, 2025 and appointed as CFO since January 01, 2025.
Period	5 Years
Salary	Up to Rs. 24,00,000/- p.a.
Bonus	NA
Perquisite/Benefits	NA
Commission:	NA
Compensation/ remuneration paid during the F.Y. 2024-25	24.04 Lakhs ⁽²⁾

Name	Chirag Gupta
Designation	Whole Time Director
Date of Appointment / Change in Designation	He was appointed as a Director since January 15, 2019 and later he re-designated as a Whole Time Director, liable to retire by rotation for a period of 5 years from February 01, 2025
Period	5 Years
Salary	Up to Rs. 24,00,000/- p.a.
Bonus	NA
Perquisite/Benefits	NA
Commission:	NA
Compensation/ remuneration paid during the F.Y. 2024-25	24.04 Lakhs ⁽²⁾

Notes:

- (1) Arun Gupta had declined remuneration for serving as Managing Director of the Company during the FY 2024-2025.
- (2) The excess salary paid to Mr. Piyush Gupta and Mr. Chirag Gupta was due to an accounting error during payroll disbursement and the Company has since clawbacked excess remuneration paid.

Changes in the Board of Directors During the Last Three Years

Save and except as mentioned below, there has been no change in directorships in the Last three years of our Company:

S. No	Name	Date of Appointment/ Cessation	Designation	Reason for the Change	Detailed Reason for Resignation
1.	Rajesh Gupta	November 02, 2023	Director	Resignation	Not available*
2.	Ravi Gupta	November 02, 2023	Director	Resignation	Not available*
3.	Madhur Gupta	November 02, 2023	Director	Resignation	Not available*
4.	Vani Gupta	October 25, 2023	Director	Appointment	-
5.	Nitasha Gupta	October 25, 2023	Director	Appointment	-
6.	Sangeeta Gupta	October 25, 2023	Director	Appointment	-
7.	Vishnu Gupta	March 11, 2024	Director	Resignation	Due to personal reasons
8.	Piyush Gupta	January 01, 2025	CFO	Appointment	-
9.	Arun Gupta	January 01, 2025	CEO	Appointment	-
10.	Avinash Rai	January 31, 2025	Additional Independent Director	Appointment	-
11.	Sanjay Kapoor	January 31, 2025	Additional Independent Director	Appointment	-
12.	Piyush Gupta	February 01, 2025	Whole-Time Director	Redesignated	-
13.	Chirag Gupta	February 01, 2025	Whole-Time Director	Redesignated	-
14.	Gurpreet Kaur	June 11, 2025	Independent Director	Appointment	-
15.	Arun Gupta	June 11, 2025	Managing Director	Redesignated	-
16.	Avinash Rai	June 11, 2025	Independent Director	Redesignated	-
17.	Sanjay Kapoor	June 11, 2025	Independent Director	Redesignated	-
18.	Arun Gupta	June 30, 2025	CEO	Resignation	He resigned from the post of CEO to take up the role and responsibilities of Managing Director.
19.	Sangeeta Gupta	August 11, 2025	Director	Resignation	Due to other preoccupations
20.	Vani Gupta	August 11, 2025	Director	Resignation	Due to other preoccupations
21.	Nitasha Gupta	August 11, 2025	Director	Resignation	Due to other preoccupations

*The reason has not been provided in Form DIR-12.

Key Managerial Personnel

Sr. No.	Name, Designation, Educational Qualification & Term of office (with date of expiration of term) and details of service contracts including termination/retirement benefits, if any,	Age	Year of Joining	Compensation paid for F.Y. ended 2025 (Amount in Rs. Lakhs)	Overall experience (in years)	Previous employment	Past business experience, and functions and areas of experience
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Changes in Key Managerial Personnel and Senior Management personnel in the past 3 years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of KMP	Date of appointment/ resignation	Designation (at the time of appointment/ resignation)	Reason	Detailed Reason for Resignation
1.	Piyush Gupta	January 01, 2025	Chief Financial Officer	Appointment	-
2.	Nikita Tayal	January 01, 2025	Company Secretary	Appointment	-
3.	Arun Gupta	January 01, 2025	Chief Executive Officer	Appointment	-
4.	Piyush Gupta	February 01, 2025	Whole-Time Director	Redesignated	-
5.	Chirag Gupta	February 01, 2025	Whole-Time Director	Redesignated	-
6.	Arun Gupta	June 11, 2025	Managing Director	Redesignated	-
7.	Arun Gupta	June 30, 2025	Chief Executive Officer	Resignation	He resigned from the post of CEO to take up the role and responsibilities of Managing Director.

Our Promoter Group

Entities forming part of our Promoter Group

Sr. No.	Name of Entity	Type of Entity
1	Trimurti Hosiery Mills Private Limited	Company
2	Vidya Udyog Private Limited	Company
3	Trimurti Textile Park Association	Company
4	Star Vista Developers Private Limited	Company
5	Star Cottex Limited	Company
6	Sarvatra Jewels Pvt Ltd.	Company
7	K.C. Fabrics	Partnership Firm
8	Trimurti Apparels	Partnership Firm
9	Arun Gupta HUF	HUF
10	Piyush Gupta HUF	HUF
11	Chirag Gupta HUF	HUF
12	Kastoor Chand Gupta HUF	HUF
13	Ravi Gupta HUF	HUF
14	Vishnu Gupta HUF	HUF
15	Rajesh Gupta HUF	HUF

16	Starlight Hosiery Mills	Sole Proprietorship
17	Arun Gupta HUF	HUF
18	Palace Jewellers	Partnership Firm
19	RPA Developers	Partnership Firm
20	Star Vista Welfare Foundation	Company
21	Pardeep Kumar & Sons HUF	HUF
22	Pankush Mittal HUF	HUF
23	Samridhi Steels	Partnership Firm

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

i. The monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

(a) two percent of turnover, i.e., 343.27 lakhs, as per the latest annual restated standalone financial statements of the issuer; or

(b) two percent of net worth, i.e., 58.97 lakhs as per the latest annual restated standalone financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or

(c) five percent of the average of absolute value of profit or loss after tax, i.e., 22.73 lakhs, as per the last three annual restated standalone financial statements of the issuer.,

Based on the above conditions, the threshold shall be 22.73 Lakhs.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES

6. LITIGATIONS INVOLVING KEY MANAGERIAL PERSONNEL (KMPs): NIL

1. *Criminal Proceedings*

Nil

2. Actions by Statutory/ Regulatory Authorities:

Nil

3. *Other material pending proceedings*

Nil

Tax Claims

Nature of Case	Number of Cases	Amount Involved (In Rs Lakhs)
Litigations Involving Key Managerial Personnel (KMPs)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

GOVERNMENT AND OTHER APPROVALS

III. Material approvals applied for but not received

The Company has applied for the following key approvals and licenses that are still pending:

S. No	Nature of Registration/ License	Application No.	Issuing Authority	Date of Application	Status
1	Groundwater Extraction Permission	Not available	Punjab Water Resources Authority (PWRDA)	28.06.2025	Under Process
2	Hazardous Waste Management Authorization	12009271	Punjab Pollution Control Board (PPCB)	27.09.2025	Under Process

VI. Intellectual Property

Trademarks

Intellectual Property owned by our company

Sr. No.	Trade Mark/ Device Mark	TM Regn. No.	Class	Trademark Type	Date of Registration	Valid Up To
12	Embrace	2384750	24	Wordmark	24-08-2012	24-08-2022
14	Antaretica	2384757	24	Wordmark	24-08-2012	24-08-2022
27	Highway Tiffin	3003125	43	Wordmark	08-07-2015	08-07-2025

OTHER REGULATORY AND STATUTORY DISCLOSURES

Disposal of investor grievances by the company

Our Company has appointed Nikita Tayal as the Company Secretary and Compliance Officer and may be contacted at the following address.

NSE Eligibility Norms

Sr. No.	Particulars																																																												
5	<p><u>The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.</u></p> <p>The company has the positive Free Cash Flow to Equity (FCFE) in two out of the last three financial years, i.e., FY 2023 and FY 2024.</p> <p style="text-align: right;"><i>(Rs. In Lakhs)</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">FY 2023</th> <th style="text-align: center;">FY 2024</th> <th style="text-align: center;">FY 2025</th> </tr> </thead> <tbody> <tr> <td>Cash Generated from Operating Activities</td> <td style="text-align: center;">8.55</td> <td style="text-align: center;">-334.37</td> <td style="text-align: center;">-214.48</td> </tr> <tr> <td>Less: Income Tax Paid</td> <td style="text-align: center;">13.33</td> <td style="text-align: center;">33.33</td> <td style="text-align: center;">41.34</td> </tr> <tr> <td>Net Cash Flow from Operating Activities</td> <td style="text-align: center;">-4.78</td> <td style="text-align: center;">-367.70</td> <td style="text-align: center;">-255.82</td> </tr> <tr> <td>Purchase of Capital Assets</td> <td style="text-align: center;">133.55</td> <td style="text-align: center;">1292.30</td> <td style="text-align: center;">197.86</td> </tr> <tr> <td>Add : Capital Advances</td> <td style="text-align: center;">-</td> <td style="text-align: center;">257</td> <td style="text-align: center;">179.56</td> </tr> <tr> <td>Less: Sale Proceeds of Fixed Assets</td> <td style="text-align: center;">4.36</td> <td style="text-align: center;">2.00</td> <td style="text-align: center;">22.56</td> </tr> <tr> <td>Purchase of Fixed Assets</td> <td style="text-align: center;">129.19</td> <td style="text-align: center;">1547.30</td> <td style="text-align: center;">353.17</td> </tr> <tr> <td>Net Proceeds from Total Borrowings</td> <td style="text-align: center;">439.43</td> <td style="text-align: center;">2361</td> <td style="text-align: center;">978.95</td> </tr> <tr> <td>Net Debt Repayment</td> <td style="text-align: center;">439.43</td> <td style="text-align: center;">2361</td> <td style="text-align: center;">978.95</td> </tr> <tr> <td>Total Interest Expense</td> <td style="text-align: center;">310.01</td> <td style="text-align: center;">411.32</td> <td style="text-align: center;">593.99</td> </tr> <tr> <td>Effective Tax Rate</td> <td style="text-align: center;">0.09</td> <td style="text-align: center;">0.14</td> <td style="text-align: center;">0.26</td> </tr> <tr> <td>Post Tax Interest Expense</td> <td style="text-align: center;">280.90</td> <td style="text-align: center;">352.66</td> <td style="text-align: center;">440.21</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Free Cash flow to Equity</td> <td style="text-align: center;">24.57</td> <td style="text-align: center;">93.33</td> <td style="text-align: center;">-70.23</td> </tr> </tbody> </table>	Particulars	FY 2023	FY 2024	FY 2025	Cash Generated from Operating Activities	8.55	-334.37	-214.48	Less: Income Tax Paid	13.33	33.33	41.34	Net Cash Flow from Operating Activities	-4.78	-367.70	-255.82	Purchase of Capital Assets	133.55	1292.30	197.86	Add : Capital Advances	-	257	179.56	Less: Sale Proceeds of Fixed Assets	4.36	2.00	22.56	Purchase of Fixed Assets	129.19	1547.30	353.17	Net Proceeds from Total Borrowings	439.43	2361	978.95	Net Debt Repayment	439.43	2361	978.95	Total Interest Expense	310.01	411.32	593.99	Effective Tax Rate	0.09	0.14	0.26	Post Tax Interest Expense	280.90	352.66	440.21					Free Cash flow to Equity	24.57	93.33	-70.23
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SECTION VI – RESTATED FINANCIAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Key Financial performance (In Lakhs)

Key Performance Indicator	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23
<i>Non-GAAP Financial Measures</i>				
Interest Coverage Ratio	2.68	3.42	1.46	1.32

Related Party Transaction (In Lakhs)

Particulars	June 30 2025	2025	2024	2023
Related Party - Revenue Transactions	85.16	590.05	125.75	95.73
<i>as a % of Total Income</i>	1.31%	3.44%	1.16%	1.07%