S.R.G. NARROW FAB LIMITED
[Formally known as S.R.G. Narrow Fab Private Limited]
Corporate Identity Number: U17122GJ2008PLC055476

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL & TELEPHONE	WEBSITE
R.S. NO. 282/P & 285/P, Plot no. 4105, Road no. 41, G. I. D. C. Sachin, Talangpur, Chorasi, Surat – 394230, Gujarat, India	NA	Shruti Agarwal, Company Secretary and Compliance Officer	compliance@srgelastics.com +91- 9879905050	www.srgelastics.com

NAME OF PROMOTERS OF THE COMPANY
DHIRAJ UMMEDSINGH GUNECHA AND UMMED SINGH GUNECHA

DETAILS OF ISSUE TO PUBLIC				
TYPE	**FRESH ISSUE SIZE**	**OFS* (By no. of share or by amount in ₹)**	**TOTAL ISSUE SIZE**	**ELIGIBILITY**
Fresh Issue	Up to 36,60,000 Equity shares of ₹10 each having an issue Price [●] aggregating to up to ₹ [●] Lakhs	NA	Up to 36,60,000 Equity shares of ₹10 each having an issue Price [●] aggregating to up to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(2) and 253(1) of Chapter IX of SEBI (ICDR) Regulations 2018 as the Company's post issue paid-up capital is more than ₹1000 Lakhs but up to ₹2500 Lakhs. For details in relation to share reservation among NIIs and IIs, see "Issue Structure" on page 278.

**OFS: Offer for Sale*

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES
RISK IN RELATION TO THE FIRST ISSUE
This being the first public issue of Equity Shares of our Company, there has been no formal market for Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price of ₹ [●] is [●] times of the face value of the Equity Shares, respectively. The Floor Price, Cap Price and Issue Price to be determined by our Company, in consultation with the Book Running Lead Manager, in accordance with SEBI ICDR Regulations on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under *"Basis for Issue Price"* on page 114 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing

GENERAL RISK
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24.
ISSUER'S ABSOLUTE RESPONSIBILITY
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that is the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
LISTING
The Equity Shares of our Company offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. Our Company has received "in-principle" approval letter dated [●] from SME Platform of BSE Limited ("BSE") for using name of BSE Limited ("BSE") in the Red Herring Prospectus/ Prospectus for listing of our shares on the SME Platform of BSE Limited ("BSE"). For the purpose of this Issue, the Designated Stock Exchange shall be the SME Platform of BSE Limited ("BSE SME")

BOOK RUNNING LEAD MANAGER		
Name and Logo	**Contact Person**	**Email Id & Telephone No**
Value Square Capital Private Limited	Mr. Praveen Kaushik	praveen@valuesquare.in; +91-1145660694
REGISTRAR TO THE ISSUE		
Name and Logo	**Contact Person**	**Email & Telephone No**
Maashitla Securities Private Limited	Mr. Mukul Agrawal	investor.ipo@maashitla.com +91 011-47581432

BID / ISSUE PERIOD		
ANCHOR INVESTOR BIDDING DATE	**BID OPENS ON/ISSUE PERIOD**	**BID/ISSUE CLOSES ON**
[●]	**[●]***	**[●]**#**

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

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

#UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Issue Closing Date.

IN THE NATURE OF DRAFT ABRIDGED PROSPECTUS-MEMORANDUM CONTAINING SALIENT FEATURES OF THE DRAFT RED HERRING PROSPECTUS

(Please scan this QR code to view the Draft Red Herring Prospectus and Draft Abridged Prospectus)	The following is a general summary of certain disclosures in the Draft Red Herring Prospectus and the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in the Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Draft Red Herring Prospectus, which is available at the websites of the of BSE Limited (the "Stock Exchange") at www.bseindia.com, at the website of the Company at https://www.srgelastics.com/ and the website of the Book Running Lead Managers at www.valuesquare.in References below are to the page numbers of the Draft Red Herring Prospectus dated September 30, 2026 Unless otherwise specified all capitalized terms used herein and not specifically defined bear the same meaning as ascribed to them in the Draft Red Herring Prospectus

1. Summary of the Primary Business

a. Overview of Our Business

Our company is primarily a textile-based elastic manufacturer, (not a rubber-based one) and our core products are woven, knitted, and specialised textile elastics used across apparel, medical, and furniture industries. Our company specialises in narrow fabrics and elastic tapes made from textile fibres that may contain rubber threads, but our expertise lies in textile weaving and knitting technologies rather than raw rubber product manufacturing.

Product Range: we offer a wide portfolio of textile elastic products:

- Woven elastics: Durable, firm stretch bands used in waistbands, uniforms, and industrial applications.
- Knitted elastics: Softer, more flexible elastics ideal for lingerie, sportswear, and fashion garments.
- Braided elastics: Round or flat elastics commonly used in masks, shoes, and accessories.
- Medical elastics: Specialised elastic bands for surgical masks, orthopaedic supports, and healthcare products.
- Furniture elastics: Heavy-duty elastics used in upholstery and seating support.
- Industrial elastics: Specialized tapes for uniforms and heavy-duty textile applications.
- Apparel elastics: Waistbands, lingerie straps, sportswear trims.

In short, we are a textile elastic specialist, producing woven, knitted, braided, and medical elastics for fashion and industrial use, not a rubber-based elastic manufacturer. Main Raw Materials used by the company are Yarn and Rubber including Spandex (Lycra), Latex threads, Polyester yarns, Nylon yarns, Cotton yarns – all of which this report covers in below section.

Portfolio Type: Estimated Nature of Mix for our company

- Textile-based elastic products - Majority of portfolio
- Rubber-based elastic products - Supporting/raw-material-driven portion

(Source: B2K Analysis Report)

b. Industries Served and Typical Customer

Our company operates in the Elastic Industry.

c. Segment Reporting and Revenue Contribution

The Company operates in a single segment of textile-based elastic manufacturing, in the one geographical area of

Ahmedabad, Gujarat. Therefore, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company. For further information, see "Restated Financial Statements – on page 229 of the Draft Red Herring Prospectus.

d. Key Geographies

Following is our revenue break-up on the basis of geographical state wise distribution for the financial years ending on March 31, 2026, March 31, 2025 and March 31, 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ in lakhs)	%	Amount (₹ in lakhs)	%	Amount (₹ in lakhs)	%
Gujarat	2,950.76	49.15	1,573.36	33.46	399.37	13.60
Haryana	35.06	0.58	54.57	1.16	79.81	2.72
Delhi	2,487.30	41.43	2,598.80	55.27	2,018.60	68.75
West Bengal	161.18	2.68	142.86	3.04	230.07	7.84
Uttar Pradesh	335.83	5.59	297.51	6.33	171.97	5.86
Bihar	21.42	0.36	19.81	0.42	18.36	0.63
Punjab	5.98	0.10	1.69	0.04	12.87	0.44
Tamil Nadu	0.00	0.00	4.65	0.10	1.75	0.06
Madhya Pradesh	4.34	0.07	5.71	0.12	2.19	0.07
Maharashtra	1.81	0.03	2.40	0.05	1.01	0.03
Odisha	-	-	0.52	0.01	0.27	0.01
Jammu & Kashmir	-	-	0.25	0.01	-	-
Total	**6003.69**	**100.00**	**4702.12**	**100.00**	**2936.27**	**100.00**

** As certified by our Statutory Auditor vide their certificate dated September 24, 2026.*

e. Revenue Concentration Among Top 10 Customers

The following table sets forth the contribution of our top customer, top three customer, top five customers and top ten customers to our revenue from operations for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024**.**

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ in lakhs)	%	Amount (₹ in lakhs)	%	Amount (₹ in lakhs)	%
Top 1 customer	363.71	6.06	1019.05	21.66	255.11	8.69
Top 3 customers	846.97	14.11	1610.09	34.23	657.58	22.39
Top 5 customers	1,152.99	19.21	1957.59	41.61	1,017.96	34.67
Top 10 customers	1,646.74	27.43	2502.59	53.2	1,278.15	43.53

f. Key manufacturing or other facilities

Our Company commenced its operations in 2008, and the production from our first unit at Plot No. 5617, Road No. 56, GIDC Sachine - 394230. In 2020 our Company also starts its second production unit Plot No-A/18/1&2, Second Floor, Udhyog Nagar Sang, Udhna Station Road, Udhna, Surat, 394210.

In 2019 we shifted our first unit located at Plot No. 5617, Road N0. 56, GIDC Sachine – 39423 to R.S. no. 271/P, Plot no. 4227, Road no. 42, G.I.D.C. Sachin, Talangpur, Surat, Gujarat – 394230, admeasuring approximately 1,275 square meters.

Further, in 2021 we shifted our second production unit situated at Plot No-A/18/1&2, Second Floor, Udhyog Nagar Sang, Udhna Station Road, Udhna, Surat, 394210 to R Survey no. 282/P and 285/P, Plot no. - 4105, Sachin

G.I.D.C., Road no. 41, Sachin, Surat, Gujarat, admeasuring approximately 1,350 square meters.

Currently, our Company operates through two manufacturing units situated at:

- R.S. no. 271/P, Plot no. 4227, Road no. 42, G.I.D.C. Sachin, Talangpur, Surat, Gujarat – 394230. **(Unit 1)**

- R Survey no. 282/P and 285/P, Plot no. - 4105, Sachin G.I.D.C., Road no. 41, Sachin, Surat, Gujarat – 394230**. (Unit 2)**

The Company currently operates with an installed production capacity of more than 4,00,000 meters per day, enabling it to cater to the varying requirements of its customers across multiple industries.

The Registered and Corporate Office of our Company is situated R Survey no. 282/P and 285/P, Plot no. - 4105, Sachin G.I.D.C., Road no. 41, Sachin, Surat, Gujarat – 394230.

Most of the manufacturing and processing in our units are carried out using elastic manufacturing technologies, pollution light machinery and tools which are supplied by domestic players in the textile machine production industry. As of March 31, 2026, our Company had a total of 141 needle loom machines, 42 crochet needle loom machines, 19 covering machines and 89 other machines (including warping machines) active at its two manufacturing units. (Source: Independent Chartered Engineer Report dated September 25, 2026)

g. Business strengths and strategies

Our Competitive Strengths

- Experienced Promoter and Management Team
- Diversified Product Portfolio
- Focus on Quality and Consistency
- Integrated manufacturing facility

Our Business Strategy

- Strengthening Manufacturing Capabilities
- Enhancing Customer Relationships and Increasing Market Presence
- Improving Operational Efficiency and Cost Optimization
- Focus on Quality Assurance and Compliance
- Expansion into New Industry Segments and Geographies

For further and complete information, see "Business Overview" beginning on page 159 of the Draft Red Herring Prospectus

2. Summary of the Industry (Source: B2K Analytics Report)

The outlook for the elastic industry remains positive, supported by the continued growth of the global textile and apparel sector and increasing demand for stretchable, comfortable, and performance-oriented products. The industry is witnessing rising consumption from segments such as innerwear, sportswear, athleisure, medical textiles, footwear, and technical textiles, all of which extensively utilise elastic tapes and narrow fabrics. Growing consumer preference for comfort-based clothing and functional apparel is further driving the adoption of high-quality elastic products across domestic and international markets.

The industry is gradually shifting from traditional rubber-based elastics toward synthetic and textile-engineered elastic products made using polyester, nylon, spandex, and blended yarns. This transition is driven by the superior durability, flexibility, comfort, and aesthetic appeal offered by modern elastic materials. In addition, demand for customised and value-added products such as jacquard elastics, branded waistbands, and soft-touch elastics is increasing, particularly among premium apparel and sportswear brands.

The Indian elastic and narrow fabrics industry is also expected to benefit from the increasing global shift in sourcing away from single-country dependency, creating export opportunities for Indian manufacturers. Rising focus on technical textiles, healthcare applications, and sustainable textile solutions is further expected to support long-term industry growth. Going forward, companies with strong product quality, technological capabilities, customisation expertise, and efficient supply chain management are likely to gain a competitive advantage in the evolving elastic industry landscape. For further information, see "Industry Overview" beginning on page 126 of the Draft Red Herring Prospectus.

3. Promoters

The Promoters of our Company are Dhiraj Ummedsingh Gunecha and Ummed Singh Gunecha.

Sr. no.	Name	Individual/ Corporate	Experience and Educational Qualification / Corporate Information
1.	Dhiraj Ummedsingh Gunecha	Individual	**Dhiraj Ummedsingh Gunecha** aged 38 years, is the Promoter, Chairman, and Managing Director of the company, with an educational background that includes a bachelor's degree in Business Administration (Hons.) from North- Eastern Hill University, Shillong. Mr. Dhiraj is an accomplished professional with strong educational background and a proven track record in the fields of sales, distribution, retail and e-commerce, with a strong focus on the textile and narrow fabrics industry. He has over 15 years of experience in its manufacturing operations, improving product quality and diversifying its product portfolio in the elastic and narrow fabrics segment. His vision and entrepreneurial approach continue to drive the Company's growth and reinforce its position in the industry.
2.	Ummed Singh Gunecha	Individual	**Ummed Singh Gunecha** aged 62 years, is the Promoter and Whole Time Director of the Company. He has successfully completed his Higher Secondary Education. He has been associated with the elastic and narrow fabrics industry since 1999 and brings over two decades of experience in the business. He was previously associated with Sun Narrow Fab Private Limited, where he was involved in the operations and development of the elastic manufacturing business. In 2019, he transitioned to S.R.G. Narrow Fab Limited and has since been contributing to the Company's operations and growth. As a member and director of the company, he has been instrumental in shaping the organization's journey from inception. Under his leadership, the Company has focused on expanding its business operations, enhancing its distribution capabilities and building a sustainable and scalable business model. His commitment, vision and entrepreneurial approach continue to guide the Company towards long-term growth and value creation.

For details in respect of our Promoters, please see the section entitled "Our Promoters and Promoter Group" beginning on page 222 of the Draft Red Herring Prospectus.

4. Objects of the Offer

The Issue constitutes a public Issue of Up to 36,60,000 Equity Shares having face value of ₹ 10 each of our Company

at an Issue Price of ₹ [●] per Equity Share.

Utilization of Net Proceeds

Requirement of Funds and Utilization of Net Proceeds provided in the following table:

Sr. No.	Particulars	Total (₹ in Lakhs)	Ratio
1	Procurement and Installation of additional Plant and Machinery and their equipment's therein	1,000.00	[●]
2	To meet working capital requirements	534.00	[●]
3	General corporate purposes*;	[●]	[●]
	Total	[●]	[●]

**To be finalised upon determination of Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Issue or ₹1,000 lakhs whichever is lower.*

For further details, see "Objects of the Issue" on page 98 of the Draft Red Herring Prospectus.

5. Pre-Offer and Post-Offer shareholding of our Promoters, members of our Promoter Group and additional top 10 shareholders

Shareholding of Promoter / Promoter Group and Additional Top 10 Shareholders of the Company as at date of this Draft Red Herring Prospectus

S. No.	Pre-Issue shareholding as at the date of DRHP (2)			Post-Issue shareholding as at date of DRHP (3)			
				At the lower end of the price band (₹ [●])		At the upper end of the price band (₹ [●])	
	Shareholders	Number of Equity Shares (2)	Shareholding (in %) (2)	Number of Equity Shares (2)	Shareholding (in %) (2)	Number of Equity Shares (2)	Shareholding (in %) (2)
PROMOTER							
1	Dhiraj Ummedsingh Gunecha	16,30,751	16.55%	[●]	[●]%	[●]	[●]%
2	Ummed Singh Gunecha	18,36,000	18.64%	[●]	[●]%	[●]	[●]%
	TOTAL	34,66,751	**35.19%**	[●]	[●]%	[●]	[●]%
PROMOTER GROUP (1)							
1	Divya Dhiraj Gunecha	21,25,000	21.57%	[●]	[●]%	[●]	[●]%
2	Santosh Gunecha	21,25,000	21.57%	[●]	[●]%	[●]	[●]%
	TOTAL	**42,50,000**	**43.14%**	[●]	[●]%	[●]	[●]%
ADDITIONAL TOP 10 SHAREHOLDERS							
1	Maxrets Innovation Private Limited	5,78,000	5.87%	[●]	[●]%	[●]	[●]%
2	Parisha Purvesh Shah	3,40,026	3.45%	[●]	[●]%	[●]	[●]%

3	Udhyaan Ventures Private Limited	2,67,750	2.72%	[●]	[●]%	[●]	[●]%
4	Manoj Kumar	1,23,191	1.25%	[●]	[●]%	[●]	[●]%
5	Sharon Gupta	1,08,842	1.10%	[●]	[●]%	[●]	[●]%
6	Shah Rajul Kumar Devidas	99,510	1.01%	[●]	[●]%	[●]	[●]%
7	Himanshu Jain	96, 926	0.98%	[●]	[●]%	[●]	[●]%
8	Hemant Gupta	69,709	0.71%	[●]	[●]%	[●]	[●]%
9	Karan Somani	54, 579	0.55%	[●]	[●]%	[●]	[●]%
10	Premal Jogendra Thakker	42,908	0.44%	[●]	[●]%	[●]	[●]%
	TOTAL	**17,81,441**	**18.08%**	[●]	[●]%	[●]	[●]%

Notes:

1. *The Promoter Group shareholders are Divya Dhiraj Gunecha and Santosh Gunecha.*
2. *Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of prospectus.*
3. *Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.*

For further details, see "Capital Structure" beginning on page 79 of the Draft Red Herring Prospectus.

6. Summary of Restated Financial Statements

(₹ in Lakhs, except per share data)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Equity Share capital	115.90	115.17	100.00
Net Worth (1)	1,833.62	1,082.93	287.23
Revenue from Operations (2)	6,003.69	4,702.12	2,936.27
EBITDA (3)	1,491.11	1,085.88	637.18
EBITDA (%) Margin (4)	24.84%	23.09%	21.70%
PAT (5)	711.67	438.84	193.78
PAT (%) Margin (6)	11.85%	9.33%	6.60%
EPS (Basic and Diluted) (7)	61.44	41.80	76.88
ROE/ RoNW (8)	48.80%	64.06%	126.79%
Net Asset value per share (9)	158.21	94.03	287.23
Total Borrowings (10)	3699.93	2556.49	1919.07
Net Cash from Operating Activities	(54.63)	(46.17)	(0.56)
Net Cash used Investing Activities	(705.67)	(560.46)	(233.28)
Net Cash from in Financing Activities	781.26	(578.83)	289.96

Note:

(1) Net worth is calculated as Equity Share Capital plus Other Equity

(2) Revenue from Operations means the Revenue from Operations as appearing in the Restated Statement of Financial Information

(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses-Other Income

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

(5) PAT is mentioned as Profit after tax for the period

(6) PAT Margin' is calculated as PAT divided by Revenue from Operations

(7) Basic and diluted EPS is mentioned as EPS for the period after consideration of Bonus Share.

(8) ROE/RoNW is calculated PAT divided by Average shareholders' equity

(9) Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements excluding non-controlling interest / Actual Number of equity shares outstanding as at the end of year/period.

(10) Total Borrowings = Total Borrowings includes Current and Non-Current Borrowings

For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Basis for Issue Price" and "Restated Financial Statements" beginning on page 114 and 229 of the Draft Red Herring Prospectus.

7. Summary of Key Performance Indicators

A list of our KPIs for the Financial Year 2026, Financial Year 2025 and Financial Year 2024 is set out below:

(Amount in ₹ lakhs, except EPS, % and ratios)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Revenue from operations [(1)]	*6,003.69*	*4,702.12*	*2,936.27*
Growth in Revenue from Operations [(2)]	*27.68%*	*60.14%*	*-4.06%*
EBITDA [(3)]	*1,491.11*	*1,085.88*	*637.18*
EBITDA (%) Margin [(4)]	24.84%	23.09%	21.70%
EBITDA Growth Period on Period [(5)]	*37.32%*	*70.42%*	*102.02%*
ROCE (%) [(6)]	*51.44%*	*60.65%*	*99.15%*
Current Ratio [(7)]	*1.17*	*1.06*	*0.86*
Operating Cash flow [(8)]	*-54.63*	*-46.17*	*-0.56*
PAT [(9)]	*711.67*	*438.84*	*193.78*
ROE/ RoNW [(10)]	*48.80%*	*64.06%*	*126.79%*
EPS [(11)]	*61.44*	*41.80*	*76.88*

Notes:

[(1)] Revenue from operations is the total revenue generated by our Company.

[(2)] Growth in Revenue in percentage, Year on Year

[(3)] EBITDA is calculated as Profit before tax + Depreciation + Finance cost-other income

[(4)] EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

[(5)] EBITDA Growth Rate Year on Year in Percentage

[(6)] ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt

[(7)] Current Ratio: Current Asset over Current Liabilities

[(8)] Operating Cash Flow: Net cash inflow from operating activities.

[(9)] PAT is mentioned as PAT for the period

[(10)] ROE/RoNW is calculated PAT divided by average shareholders' equity

[(11)] EPS is mentioned as EPS for the period

Note: For more detailed disclosure on such KPIs, see "Basis for Issue Price - Comparison of financial KPIs and Operational KPIs of our Company" on page 119 of the Draft Red Herring Prospectus.

8. Risk Factors

Below mentioned, risks are the top 10 risk factors as disclosed in Draft Red Herring Prospectus. For further details, see "Risk Factors" on page 24 of the Draft Red Herring Prospectus.

1. Our existing manufacturing facility are concentrated in a single region i.e., Surat District in the state of Gujarat and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Gujarat and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.

2. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our workers that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.

3. Our business is dependent on the performance of the textile and related industries, and any slowdown in such industries may adversely affect our business, results of operations and financial condition.

4. Our Company's manufacturing activities are labour intensive and depend on availability of labour. In case of unavailability of such, our business operations could be affected.

5. Our raw materials and finished elastic products are highly flammable, and any fire, accident or mishap at our manufacturing facilities or premises could result in significant property damage, business interruption and financial loss.

6. We depend on certain suppliers for our raw materials required for our operations and we do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations.

7. A major portion of our revenue from sale of products is dependent upon a limited number of customers, and any loss of such customers or reduction in their business could adversely affect our business, results of operations and financial condition.

8. Our manufacturing operations are subject to various statutory and regulatory requirements, and any failure or delay in obtaining or maintaining applicable approvals, licences, registrations, consents and certificates may adversely affect our business, financial condition and results of operations.

9. We have been unable to trace certain statutory filings related to Annual Filling of the Company for the financial year 2008-09, and the absence of such records may limit the ability to independently verify the Company's historical statutory compliance.

10. Certain statutory filings made by the Company are not supported by readily available challans or payment records, which may affect the ability to independently verify the completeness of statutory filing records.

For further details of the risks applicable to us, see "Risk Factors" beginning on page 24 of the Draft Red Herring Prospectus. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

9. Details of weighted average cost of acquisition of Equity Shares of our Promoters

S. No.	Name of the Promoter	Number of Equity Shares held as on date	Weighted Average cost of acquisition ("WACA") per Equity Share (in ₹)	WACA per Equity Shares acquired in last three years (in ₹)	WACA per Equity Shares acquired in last one year (in ₹)
1.	Dhiraj Ummedsingh Gunecha	16,30,751	Nil	Nil	Nil
2.	Ummed Singh Gunecha	18,36,000	Nil	Nil	Nil

For details of shareholding of our Promoters, see chapter "our Promoters and Promoter Group" on page 222 of the Draft Red Herring Prospectus.

10. Board of Directors and Key Managerial Personnel

The names and designations of members of the Board of Directors and Key Managerial Personnel are set forth below:

Name	Designation
Board of Directors	
Dhiraj Ummedsingh Gunecha	Chairman & Managing Director
Ummed Singh Gunecha	Whole Time Director
Divya Gunecha	Executive Director
Dheeraj Sharma	Non-Executive & Independent Director
Pooja Hindia	Non-Executive & Independent Director
Sachin Jain	Non-Executive & Independent Director
Key Managerial Personal	
Shruti Agrawal	Chief Financial Officer
Shivam Surendra Uttam	Company Secretary and Compliance Officer

For further details in relation to our Board of Directors and Key Managerial Personnel, see "Our Management" on page 201 of the Draft Red Herring Prospectus.

11. Auditor Qualifications

The statutory auditors of our Company have not expressed any qualification, reservation, adverse remark, matter of emphasis, or other observation on our financial statements for the periods covered in the Draft Red Herring Prospectus except mentioned below:

FY 2023 - 24	Nil
FY 2024 – 25	The Company has not made the disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). These disclosures include the principal amount owed to micro, small and medium enterprises (MSMEs) beyond the due date, interest payable on such overdue amounts, and interest paid to them for late payments. The absence of these disclosures could potentially affect the true and fair view to the extent of interest. **Clause (vii)(a) of Companies (Auditor's Report) Order, 2020** The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, and any other statutory dues to the appropriate authorities. Except in case of Income Tax of Rs 71.58 lakhs related to financial year 2023-24 and Advance Tax of Rs 143.00 lakhs related to financial year 2024-25 which is not paid by the company.
FY 2025 -26	The Company has not made the disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). These disclosures include the principal amount owed to micro, small and medium enterprises (MSMEs) beyond the due date, interest payable on such overdue amounts, and interest paid to them for late payments. The absence of these disclosures could potentially affect the true and fair view to the extent of interest. **Clause (vii)(a) of Companies (Auditor's Report) Order, 2020** The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, and any other statutory dues to the appropriate authorities. Except as reported infra

Nature	Financial Year	Amount (in lakhs)
Income Tax	2023-24	67.21*
Income Tax	2024-25	179.72
Income Tax (Advance Tax)	2025-26	113.06

** The Company has paid Income tax pertaining to FY 2023-24 up to the audit report date*

For further details, see "Restated Financials Statement" on page 229 of the Draft Red Herring Prospectus.

12. Summary of Outstanding Litigation claims and Regulatory Action

A summary of outstanding litigation proceedings involving our Company, Promoters, Directors, Key Managerial Personnel, and members of Senior Management, as on the date of the Draft Red Herring Prospectus in terms of the SEBI ICDR Regulations is provided below:

Particulars	Criminal Proceedings	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actic by SEBI or exchanges agains Promoters	Material civil litigations and other Civil litigations	Aggregate amount involved (₹ in Lakhs) *
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	2	Nil	Nil	Nil	224.32
Directors (Other than Promoters)						
By the Directors (Other than our Promoters)	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors) Other than our Promoters)	Nil	1	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Proms	Nil	Nil	Nil	Nil	Nil	Nil
KMPs and SMPs						
By our KMPs and SMPs	Nil	Nil	Nil	Nil	Nil	Nil
Against our KMPs and SMPs	Nil	1	Nil	Nil	Nil	Nil

** To the extent quantifiable.*

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" beginning on page 246 of the Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, 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 in the United States. Our Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance on Section 3(c)(7) of the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to or for the account or benefit of, U.S. Persons, in each case to investors that are both "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" and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in the Draft Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on Section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an "offshore transaction" as defined in, and in reliance on, Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE).