

**IN THE NATURE OF ABRIDGED PROSPECTUS – MEMORANDUM CONTAINING SALIENT FEATURES OF PROSPECTUS**

(Please scan this QR Code to view the Prospectus)

This is an Abridged Prospectus containing salient features of the Prospectus of Kalahridhaan Trendz Limited dated February 06, 2024 filed with the Registrar of Companies, Ahmedabad. You are encouraged to read greater details available in the Prospectus, which is available <https://www.kalahridhaan.com/policy/draft-prospect.html> and National Stock Exchange of India Limited (www.nseindia.com). Unless otherwise specified all capitalized terms used herein and not specifically defined bear the same meaning as ascribed to them in the Prospectus.

**THIS ABRIDGED PROSPECTUS CONSISTS EIGHT (08) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

**KALAHRIDHAAN TRENDZ LIMITED**

CIN: U17299GJ2016PLC092224, Date of Incorporation: May 27, 2016

Registered Office	Contact Person	Email and Telephone	Website
57 Ashra Industrial Estate, B/H Mahalaxmi Fabrics, Nr. Narol Cross Road, Ahmedabad 382405, Gujarat, India	Kushang Thakkar Company Secretary and Compliance Officer	Tel No.: +91 6353302166 Email: cs@kalahridhaan.com	www.kalahridhaan.com

**OUR PROMOTERS OF THE COMPANY**

Niranjan Agarwal, Aditya Agarwal and Sunitadevi Agarwal

**Details of Offer to Public**

Type of Issue	Fresh Issue Size/ Total Issue Size	Issue Under	Share Reservation			
			QIB	NII	RII	
Fresh Issue	49,98,000 Equity Shares aggregating to ₹ 2249.10 Lakhs	The Issue is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations.	Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 and the Application Size does not exceed ₹ 47,46,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable.	Such number of equity shares so that the Application value does not exceed ₹2,00,000 and Application size is of at least 3000 equity shares.		

**THESE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders: Not Applicable**

**PRICE, MINIMUM BID LOT & INDICATIVE TIMELINES**

Issue Price	₹ 45 Per Equity Share of Face Value of ₹ 10/- each.	Minimum lot size	3000 Equity Shares
Issue Opening Date	February 15, 2024 (Thursday)	Initiation of Unblocking of Funds/refunds	On or before February 22, 2024 (Thursday)
Issue Closing Date	February 20, 2024 (Tuesday)	Credit of Equity Shares to demat accounts of Allotees	On or before February 22, 2024 (Thursday)
Finalization of basis of allotment with the Designated Stock Exchange	February 21, 2024 (Wednesday)	Commencement of Trading of Equity Shares on the Stock Exchanges	February 23, 2024 (Friday)

\*For details of Basis of Issue Price, please refer to page 66 of the Prospectus.

**Details of WACA of all shares transacted over the trailing eighteen months from the date of Prospectus.**

Period	Weighted Average Cost of Acquisition (in ₹)	Issue Price is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in ₹)
Trailing Eighteen Month from the date of Prospectus	Nil	Nil	Nil

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of Prospectus.

## RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our company, there has been no formal market for the securities of our company. The face value of the shares is ₹ 10.00/- per equity shares and the issue price is 4.5 times of the face value. The issue price (as determined by our company in consultation with the lead manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no.66 of the Prospectus should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active and/or sustained trading in the equity shares of our company nor regarding the price at which the equity shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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 in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no.20 of Prospectus and on page no. 9 of this Abridge Prospectus.

## PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the Prospectus from the Stock Exchange, Syndicate Members, Registrar to the Issue, Share Transfer Agents, Depository Participants, Stock Brokers, Underwriters, Banker to the Offer, Investors’ Associations or Self Certified Syndicate Banks.

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the Prospectus and/or the General Information Document (GID) from the Lead Manager or download it from the websites of the Stock Exchanges i.e. [www.nseindia.com](http://www.nseindia.com) and the Lead Manager i.e. [www.ifinservices.in](http://www.ifinservices.in).

## PRICE INFORMATION OF LEAD MANAGER - Interactive Financial Services Limited

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price ₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Bhatia Colour Chem Limited (BSE SME)	40.00	80	March 24, 2022	40.00	-36.50% (-0.69%)	-40.56% (-8.79%)	-30.00% (+2.68%)
2.	Global Longlife Hospital and Research Ltd (BSE SME)	49.00	140	May 04, 2022	141.10	-40% (+0.27%)	-43.64% (+4.39%)	-47.00% (+9.12%)
3.	Rachana Infrastructure Ltd (NSE EMERGE)	76.28	135	June 10, 2022	138.00	+62.44% (+0.09%)	+250.04% (+8.78%)	+716.59% (+16.17)
4.	Dipna Pharmachem Limited (BSE SME)	15.21	38	September 08, 2022	32.00	-41.05% -2.51%	-44.74% (+4.92%)	-61.97% (+0.90)
5.	Pace E-Commerce Ventures Limited (BSE SME)	66.53	103	October 20, 2022	104.50	-61.99% (+4.16%)	-72.91 (+2.45)	-77.89% (+1.20%)
6.	Patron Exim Limited (BSE SME)	16.68	27	March 06, 2023	28.40	-73.30% (-1.86%)	-64.37% (+4.26%)	+62.37% (+8.57%)
7.	Prospect Commodities Limited (BSE SME)	7.47	61	March 20, 2023	61.00	+11.89% (+3.64%)	+16.39% (+9.61%)	+16.85% (+17.72)
8.	Sahana System Limited (NSE EMERGE)	32.74	135	June 12, 2023	163.00	+10.59% (+4.50%)	+94.26% (+7.50%)	+321.67% (+12.73%)
9.	Bizotic Commercial Limited (BSE SME)	42.21	175	June 23, 2023	180.00	-67.91% (+5.41%)	-63.14% (+6.07%)	-69.38% (+13.43%)
10.	Tridhya Tech Limited (NSE EMERGE)	26.41	42	July 13, 2023	42.00	-1.19% (+0.07%)	-2.26% (+1.42%)	-17.14% (+10.81%)
11.	Crop Life Science Limited (NSE EMERGE)	26.73	52	August 30, 2023	55.95	-20.00% (+0.91%)	-19.23% (+2.80%)	NA
12.	Vivaa Tradecom Limited (BSE SME)	7.99	51	October 12, 2023	40.80	-45.49% (-2.26%)	-41.18% (+7.50%)	NA
13.	Vrundavan Plantation Limited (BSE SME)	15.30	108	November 06, 2023	107.00	-42.59% (+6.68%)	-50.93% (+10.43%)	NA

Name of BRLM and contact details (telephone and email id) of BRLM	Interactive Financial Services Limited Tel Number: 079- 35217439, (M): +91 98980 55647 Email: <a href="mailto:mbd@ifinservices.in">mbd@ifinservices.in</a> ; Investor Grievance Email: <a href="mailto:info@ifinservices.in">info@ifinservices.in</a> ; Web Site: <a href="http://www.ifinservices.in">www.ifinservices.in</a> ; Contact Person: Mr. Pradip Sandhir
Names of Syndicate Members	The Market Maker shall be acting as the Syndicate Member for this Issue.
Names of Market Maker and contact details	Sunflower Broking Private Limited Tel No: +91 9825222227 Email: <a href="mailto:compliance@sunflowerbroking.com">compliance@sunflowerbroking.com</a> Investor Grievance Email ID: <a href="mailto:compliance@sunflowerbroking.com">compliance@sunflowerbroking.com</a> Website: <a href="http://www.sunflowerbroking.com">www.sunflowerbroking.com</a> Contact Person: Bhavik Vora SEBI Registration No: INZ000195131
Name of Registrar to the Issue and contact details	Bigshare Services Private Limited Tel No.: +91 22-62638200 Email Id: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Investor Grievance E-mail: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Contact Person: Vinayak Morbale
Name of Statutory Auditor & Peer Review Auditor	M/s Piyush Kothari & Associates
Name of Credit Rating Agency and the rating or grading obtained	Not Applicable
Name of Debenture trustee	Not Applicable
Self Certified Syndicate Banks	The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time.
Non-Syndicate Registered Brokers	You can submit Bid cum Application Forms in the Issue to Non-Syndicate Registered Brokers at the Non-Syndicate Broker Centres. For further details, see section titled "Issue Procedure" beginning at page 194 of the Prospectus.
Details regarding website address(es)/link(s) from which the investor can obtain list of registrars to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	The details of the Designated Registrar and Share Transfer Agents Locations and Designated Collecting Depository Participant Locations, along with their names and contact details are available on the websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time.

#### PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1.	Niranjan Agarwal	Individual	Mr. Niranjan Agarwal aged 60 years, is a Promoter and Managing Director of our company. He is not Matriculate. He has been leading the Strategy and Business Development department of our Company from the year 2016. He is also the Supreme authority in all operational, financial and marketing proposals by the teams. He possesses more than 40 Year of experience in the textile industry.
2.	Aditya Agarwal	Individual	Aditya Agarwal aged 30 years, is a Whole-time director of our company. He has completed his Bachelor of Technology in Chemical Engineering from Nirma University, Gujarat in the year 2015. He Possessed expertise in Textile chemicals, Manufacturing and designing of products. His responsibilities include acting as a mediator between other Directors and company team heads.
3.	Sunitadevi Agarwal	Individual	Sunitadevi Agarwal aged 56 years, is a Promoter & Non-Executive Director of our company. She is not Matriculate. She is always associated with the routine course of business of the Company. Currently, she looks after the HR related matters in the Company.

For further details, please refer chapter titled "Our Promoter and Promoter Group" on page no. 124 of the Prospectus.

## BUSINESS OVERVIEW AND STRATEGY

### Company Overview:

Our Company is engaged mainly in the business of manufacturing and trading of Fabric with embroidery works, Trading of grey cloths, purchase of grey cloth and printing and dyeing for preparing suiting, shirting and dress materials for sale it in the B2B market only. We are preparing the suiting, shirting & dress material products and focus on the whole sale market. We are the first stage wholesalers, who directly supply the material to the wholesalers.

### Product/Service Offering:

#### Revenue segmentation by product/service offering

The revenue bifurcation of last three years and Stub period.

(₹ In Lacs)

Sr. No.	Product	September 30, 2023	%	FY 2022 -23	%	FY 2021 -22	%	FY 2020 -21	%
1	Embroidery cloths	2861.01	33.95	6431.16	34.92	6260.00	34.04	5314.22	40.15
2	Printed Cloths	5566.12	66.05	11985.69	65.08	12130.14	65.96	7921.69	59.85
	<b>Total Revenue from Operations (excluding Other Income)</b>	<b>8427.13</b>	<b>100.00</b>	<b>18416.85</b>		<b>18390.14</b>		<b>13235.91</b>	

### Geographies Served:

#### Revenue segmentation by geographies

State wise sales during last three years and Stub Period

Sr. No.	Name of State	September 30, 2023		2022-23		2021-22		2020-21	
		Sales (₹ in Lacs)	% to the total sales	Sales (₹ in Lacs)	% to the total sales	Sales (₹ in Lacs)	% to the total sales	Sales (₹ in Lacs)	% to the total sales
1.	Gujarat	8167.69	96.92	17195.22	93.37	15794.59	85.88	11431.07	86.36
2.	Delhi	42.34	0.50	210.97	1.15	210.82	1.15	365.30	2.76
3.	Maharashtra	90.68	1.08	78.02	0.42	89.25	0.49	72.50	0.55
4.	Punjab	-	-	180.64	0.98	491.91	2.67	358.75	2.71
5.	Rajasthan	-	-	31.71	0.17	615.84	3.35	44.67	0.34
6.	Tamilnadu	15.52	0.18	7.10	0.04	54.93	0.30	82.15	0.62
7.	Uttar Pradesh	95.68	1.14	667.28	3.62	1089.50	5.92	829.46	6.27
8.	West Bengal	15.22	0.18	45.91	0.25	43.62	0.24	52.01	0.39
		<b>8427.13</b>	<b>100.00</b>	<b>18416.85</b>	<b>100</b>	<b>18390.46</b>	<b>100</b>	<b>13235.91</b>	<b>100</b>

### Key Performance Indicators:

The financial performance of the company for the last three years.

(₹ in Lacs)

Sr No.	Metric	As of and for the Fiscal		
		2023	2022	2021
1	Total Income	18416.85	18390.46	13235.91
2	Current Ratio	1.57	1.35	1.54
3	Debt Equity ratio	3.19	2.60	1.32
4	Return on Equity ratio (%)	42.09	21.86	11.66
5	EBDITA	1376.75	661.98	410.99
6	EBDITA (%)	7.48	3.60	3.11
7	Profit/(loss) after tax for the year/period (₹ In lakhs)	666.01	246.20	110.54
8	Net profit Ratio (%)	3.62	1.34	0.84
9	Return on Capital Employed (%)	17.39	10.35	10.16

### Client Profile or Industries Served:

#### Revenue segmentation in terms of top 5 clients or Industries:

In case of Embroidery Segment, our Company undertake the embroidery work for its own business as well as on behalf of the other clients. Our company also deals in purchase and sell of grey cloths as well as the suiting, shirting and dress materials.

We have also taken over the textile Dying and printing business unit on rent basis in February, 2018, where we are carrying out the dying and printing of suiting, shirting and dress materials for our own use as well as on job work too.

#### Intellectual Property, if any:

As on date, we have Trade Mark No. 4260410, Device:  registrations under different classes/category for our branded products.

For further details, please refer chapter titled 'Government And other Statutory Approvals' on page 172 of the Prospectus.

**Market Share:**

Not Ascertainable.

**Manufacturing plant, if any:****Registered Office and Our Embroidery unit is situated at:**

57, Ashra Industrial Estate, B/h Mahalaxmi Fabrics, Near Narol Cross Road Ahmedabad -382405.

**Our Process House unit is situated at:**

299, Matan Gali, Narol -Vatva Road, Ahmedabad – 382405

**Godown:**

288/02, Anurag Compound Opp. Aradhana Process House, Matan Gali Narol- Vatva Road, Ahmedabad - 382405

**Employee Strength:**

As on December 31, 2023, we have the total strength of 12 permanent employees in various departments and 265 Skilled and Semi-Skilled Labour on job work basis.

For further details, please refer chapter titled ‘Business Overview’ on page 84 of the Prospectus.

BOARD OF DIRECTORS				
Sr. No.	Name	Designation	Experience & Educational Qualification	Other Directorships*
1.	Niranjan Agarwal	Managing Director	For details refer to “Promoters of Our Company” on page no. 5 of this Abridged Prospectus.	<ol style="list-style-type: none"> <li>Katex Exim Limited.</li> <li>Shri Laxminarayan Weaving Private Limited.</li> <li>Aadi Texworld Private Limited.</li> <li>Odles E-Commerce Private Limited.</li> <li>DK Agarwal Buildcon Private Limited.</li> <li>Kalsun Investment Consultancy Private Limited.</li> </ol>
2.	Aditya Agarwal	Wholetime Director	For details refer to “Promoters of Our Company” on page no. 5 of this Abridged Prospectus.	<ol style="list-style-type: none"> <li>Katex Exim Limited.</li> <li>Shri Laxminarayan Weaving Private Limited.</li> <li>Aadi Texworld Private Limited.</li> <li>Odles E-Commerce Private Limited.</li> <li>D K Agarwal Buildcon Private Limited.</li> <li>Kalsun Investment Consultancy Private Limited.</li> </ol>
3.	Sunitadevi Agarwal	Director	For details refer to “Promoters of Our Company” on page no. 5 of this Abridged Prospectus.	-
4.	Bharatkumar Chaudhary	Independent Director	<p><b>Experience:</b> He has more than 8 years of Experience &amp; Proficient in Corporate Restructuring, Company law, Stock Exchange Compliance, FEMA, Takeover, Intellectual property law.</p> <p><b>Educational Qualification:</b> He holds Bachelor of Commerce from Gujarat University, Bachelor of Laws from Gujarat University.</p>	<ol style="list-style-type: none"> <li>Rachana Infrastructure Limited</li> </ol>
5.	Ankit Kumar Agrawal	Independent Director	<p><b>Experience:</b> He has More than Five years of experience in the field of Finance, Legal and corporate secretarial.</p> <p><b>Educational Qualification:</b> He is an Associated Members of the Institute of Company Secretaries of India since 2016. he has completed his Bachelor of Business Administration from Hemchandra charya North Gujarat University in the year 2010, Master of Business Administration from Sikkim Manipal University in the year 2013.</p>	<ol style="list-style-type: none"> <li>A And M Jumbobags Limited</li> <li>Shree Marutinandan Tubes Limited</li> </ol>
6.	Drashti Solanki	Independent Director	<p><b>Experience:</b> He has More than Five years of experience in the field of Company Law. She has also served listed companies as an independent director on the board.</p> <p><b>Educational Qualification:</b> She is an Associated Members of the Institute of Company Secretaries of India since 2016. She has completed her Bachelor of Commerce, Master of Commerce (External) and Bachelor of Law from Gujarat University.</p>	<ol style="list-style-type: none"> <li>Astron Multigrain Private Limited</li> <li>Virtuoso Optoelectronics Limited</li> <li>Chavda Infra Limited</li> <li>Siddhi Cotspin Private Limited</li> </ol>

\*All above stated Companies are Indian Companies Only.

For further details, please refer chapter titled “Our Management” on page no. 113 of the Prospectus.



## OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:

1. Working capital requirement
2. General Corporate Purpose,
3. Meeting Public Issue Expenses.

(Collectively referred to as “Objects”)

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

### Details of means of finance –

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

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

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2023-2024
1.	Working Capital Requirement	1607.00	Nil	1607.00
2.	General Corporate Purposes <sup>1</sup>	535.00	Nil	535.00
	<b>Total</b>	<b>2142.00</b>	<b>Nil</b>	<b>2142.00</b>

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 year:** Not Applicable

**Name of monitoring agency, if any:** Not Applicable

**Terms of Issuance of Convertible Security, if any:** Not Applicable

## SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre-Issue number of shares	% Holding of Pre issue
1.	Promoter and Promoter Group	1,17,28,061	96.22
2.	Public	4,60,939	3.78
	<b>Total</b>	<b>1,21,89,000</b>	<b>100.00</b>

**Number/amount of equity shares proposed to be sold by selling shareholder, if any:** Not Applicable

## RESTATED CONSOLIDATED AUDITED FINANCIALS STATEMENT

(₹In Lakhs, except per share data)

Particulars	For The Period ended on September 30, 2023	For the Year ended on March 31, 2023	For the Year ended on March 31, 2022	For the Year ended on March 31, 2021
Total income from operations (net)	8,427.13	18,416.85	18,390.14	13,235.91
Net Profit / (Loss) before tax and extraordinary items	635.16	889.97	329.95	153.16
Net Profit / (Loss) after tax and extraordinary items	478.72	666.01	246.20	110.54
Equity Share Capital	1,218.90	609.45	609.45	609.45
Reserves and Surplus	1,072.04	1,202.78	536.77	290.56
Net worth	2290.94	1202.78	536.77	290.56
Basic & diluted earnings per share (₹) *	3.93	10.93	4.04	1.81
Return on net worth (%)	20.90%	36.75%	21.48%	12.28%
Net Asset Value Per Share (₹)*	18.80	29.74	18.81	14.77

## INTERNAL RISK FACTORS

The below mentioned risks are top 5 risk factor as per the Prospectus.

**1. We do not own our registered office.**

Our Registered Office is located at 57, Ashra Industrial Estate, B/h Mahalaxmi Fabrics, Near Narol Cross Road Ahmedabad -382405. The registered office is owned by M/s Manish Garments, a partnership firm of Mr. Niranjana Agarwal and Mr. Aditya Agarwal, Promoters of our Company. Our company has taken premises on rental basis from our promoters. The premises have been taken by us on lease basis since August 25, 2018. The Company has recently updated the lease agreement for the term of 5 years from August 01, 2023. There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the registered office and identifying alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

**2. We do not own Dyeing and Printing unit and Godown.**

Our Dyeing and printing Unit situated at 299, Matan Gali, Narol -Vatva Road, Ahmedabad, Pin – 382405 is taken on Lease from Devdiwala Mohmedsharif Ahmedji and others, the partners of Aradhna Textile Mills for a period of 50 months w.e.f. 01/02/2022 to 31/03/2026. The Company had taken Godown from the Devdiwala Mohmedsharif Ahmedji and others, the partners of Aradhna Textile Mills for a period of 50 months w.e.f. 01/02/2022 to 31/03/2026. There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, we may require to vacate the Dyeing and printing unit and Godown. We have to find out alternative premises for dyeing and printing unit and Godown, and enter into fresh lease or leave and license agreement. The shifting of the dyeing and printing unit require to obtain necessary licenses and permission from various government authorities for operation. Any delay in getting permission or licenses, delay in sourcing new premises and not getting the premises at the terms and conditions at which we are getting the present rented premises could result in loss of business, time overruns and may adversely affect our operations and profitability.

**3. The top ten Buyers of Our Product and top ten suppliers for raw material contribute majority of revenue and source of Raw Material. We do not have long term agreement with the customer or supplier. The loss of any Customer or a decrease in the volume of order by any customer or any disruption in supply of raw material by any supplier may adversely affect our revenues and profitability.**

The Revenue from top ten customers in the FY 2022-23, FY 2021-22 and FY 2020-21 was 66.28%, 60.68% and 45.07% of the total turnover. The loss of any customer or a decrease in the volume of orders may severely affect our revenues and profitability, if we are unable to develop and maintain a continuing relationship with our key customer or develop and maintain relationships with other new customers. The loss of a significant customer or a number of significant customers due to any reason whether internal or external related to their business may have a material adverse effect on our business and results of operations. Any decline in our Quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. The top ten customers are not related to the promoters or promoter group.

The purchase from top ten suppliers in the FY 2022-23, FY 2021-2022 and FY 2020-21 was 64.44%, 66.17% and 75.17% of the total purchase of material. The loss of any supplier due to any reason or disruption of the supply by the supplier, if we are not able to agree with the terms and conditions for the supply of material or we are not able to find the alternative supplier of raw material with same terms and conditions at which we are buying the material, may severely affect our revenue and profitably. The top ten suppliers are not related to the promoters or promoter group.

**4. There are outstanding litigations by and against our Company which if determined against us, could adversely impact financial conditions.**

There are outstanding litigations by and against our Company. The details of this legal proceeding are given below in the following table:

Particular	Nature of cases	No of outstanding cases	Amount involved (₹ in lacs)
Litigation against Company	Income Tax	1	6.80
Litigations Filed by Our Company	Criminal Litigations	1	32.20
	Civil Proceedings	2	79.88
Litigation against the Director of the Company	Income Tax	9	291.46
Litigation filed by the promoter and directors of the Company	-*	-	-
Litigation against Subsidiary Company	-	-	-

\*Other than stated in the Litigation against Directors there are no other outstanding taxation matters with any of our Promoter.

**5. There have been instances of delay in filing of Goods and Service Tax (GST) returns and return of Tax Deducted at Source (TDS) dues.**

There have been instances of delay in filing of GST returns in the past which were due to initial technological issue with GST portal, limited time frame for staff to align with the amendments in the initial years and multiple clarifications issued by the GST authorities. A wrong filing of GST return can lead to huge penalties and interest. Therefore, reconciliation and checking of returns before submitting them is necessary as there is no opportunity to make any changes afterward. Hence, there were delays in filing of GST returns in order to include correct inputs from all stakeholders involved and make them error free. There were also some delays in payment of Tax Deducted at Source (TDS) primarily due to technical glitches on the portal. There can be no assurance that such delays may not arise in future. There is a possibility of financial penalties being imposed on us by the relevant Government authorities, which may have a material adverse impact on our cash flows and financial condition.

For further details, please refer chapter titled 'Risk Factor' on page 20 of the Prospectus.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

### A. Total Number of Outstanding Litigations Against the Company, Director, Promoter, Subsidiaries and the Amount Involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
<b>Company</b>						
By the Company	1	0	NIL	NIL	2	₹112.08
Against the Company	NIL	1	NIL	NIL	NIL	₹6.80
<b>Director</b>						
By our director	NIL	NIL	NIL	NIL	NIL	NIL
Against the Director	NIL	9	NIL	NIL	NIL	₹291.46
<b>Promoter</b>						
By Promoter	NIL	NIL	NIL	NIL	NIL	NIL
Against Promoter	NIL	NIL	NIL	NIL	NIL	NIL
<b>Subsidiaries</b>						
By Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
Against Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL

### B. Brief details of top 5 material outstanding litigations against the company and amount involved – Income Tax

Assessment Year	Section	Outstanding demand Amount with Interest (in ₹ in Lakhs)	Particulars
2019-20	1431a	6.80	The intimation under section 143(1)(a) was issued for Asst year 2020-21 and demand was raised of ₹ 6,80,302 on December 18, 2021 which consist of Tax amount of ₹ 5,62,240 and Interest amount of ₹ 1,18,062 due to difference in the calculation of Taxable income.

C. There is no outstanding Regulatory action taken by SEBI or Stock Exchange against the promote in last five financial yea including Outstanding Action. – Nil

D. Brief details of outstanding criminal proceedings against director(s) of our company – Nil

For further details, please refer chapter titled ‘Outstanding Litigation and Material Developments’ on page 166 of the Prospectus.

## DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged prospectus are true and correct.