



HARIKANTA OVERSEAS LIMITED
Corporate Identity Number: U17299GJ2018PLC104835
Incorporated on October 22, 2018 at Surat, Gujarat

REGISTERED OFFICE		CONTACT PERSON	
28, Sairam Ind Estate Bamroli, Surat-394107, Gujarat, India		Swati Malu, Company Secretary and Compliance Officer	
EMAIL	TELEPHONE NO.	WEBSITE	
info@harikantaoverseas.com	+919898682560	www.harikantaoverseas.com	
OUR PROMOTERS OF THE COMPANY			
Hardik Gotawala, Abhishek Gotawala, Nilesh Gotawala			
Type	Fresh Issue Size (₹ in Lakhs)	Eligibility	
Fresh Issue	26,70,000 Equity Shares aggregating to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(1), 253(1) and 253(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended	
RISKS IN RELATION TO THE FIRST ISSUE			
<p>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 equity share is ₹10.00 per equity share. The Issue Price/ Floor Price/ Cap Price (is determined by our company in consultation with the Book Running Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page 84 of the Red Herring 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 the company nor regarding the price at which the equity shares will be traded after listing.</p>			
GENERAL RISKS			
<p>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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 15 of the Red Herring Prospectus.</p>			
ISSUER’S ABSOLUTE RESPONSIBILITY			
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in the 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 makes the 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.</p>			
LISTING			
<p>The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of BSE LIMITED (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In Principal Approval Letter dated December 08, 2025 from BSE LIMITED (BSE) for using its name in the offer document for listing of our shares on the SME Platform of BSE LIMITED. For the purpose of this Issue, the designated Stock Exchange will be the BSE LIMITED (“BSE”).</p>			
BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
 <p>INTERACTIVE FINANCIAL SERVICES LIMITED Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015, Gujarat, India Tel. No.: 079 4908 8019 Mobile: +91-9898055647 Website: www.ifinservices.in e-Mail: mbd@ifinservices.in Investor Grievance e-Mail: info@ifinservices.in Contact Person: Mr. Pradip Sandhir SEBI Reg. No.: INM000012856</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400093, Maharashtra, India Tel. No.: 022-62638200; Website: www.bigshareonline.com e-Mail: ipo@bigshareonline.com Investor Grievance e-Mail: investor@bigshareonline.com Contact Person: Mr. Babu Rapheal C CIN: U99999MH1994PTC076534 SEBI Reg. No.: INR000001385</p>		
OFFER PROGRAMME			
BID / OFFER OPENS ON: May 20, 2026 (Wednesday)		BID / OFFER CLOSES ON**: May 22, 2026 (Friday)	

**Our Company may in consultation with the BRLM, 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 pm on the Bid/Issue Closing Date.

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



(Please scan this QR Code to view the Red Herring Prospectus and abridged Prospectus)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of Harikanta Overseas Limited (the “Company”) dated May 12, 2026 filed with the Registrar of Companies, Ahmedabad, Gujarat (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at www.harikantaoverseas.com. Unless otherwise specified all capitalized terms used herein and not specifically defined shall bear the same meaning as ascribed to them in the RHP. You may also download the RHP from the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in, from the website of BSE Limited (“BSE”/“Stock Exchanges”) at www.bseindia.com, and the website of our Company at www.harikantaoverseas.com and website of Book Running Lead Manager at www.ifinservices.in.

1. Summary of the primary business:

a) Business Overview - Products and Services

Our Company is engaged in the manufacturing of Synthetic textile fabrics. Our product portfolio includes Ikat fabrics, polyester garment fabrics, saree fabrics, dhupion fabrics, poly linen, and natural fiber. We primarily cater fabric to women’s wear, producing fabrics for sarees, dress materials, and kurtas, while also offering fabrics for men’s kurtas. Although our fabrics have multiple end uses, the majority of them are utilized in the manufacturing of different types of sarees. Set out in the table below are the breakdown of our product wise revenues from operations for the Fiscal 2025, Fiscal 2024 and Fiscal 2023:

(₹ in lakhs except for percentage)

Our operation	November 30, 2025 (Consolidated)		Fiscal 2025 (Consolidated)		Fiscal 2024 (standalone)		Fiscal 2023 (Standalone)	
	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation
Sale of Products:								
Ikat Fabrics	1921.69	75.63	2536.29	73.47	830.10	78.46	1269.55	88.26
Polyester Garment Fabrics	214.26	8.43	79.18	2.29	0.00	0.00	0.00	0.00
Sarees	97.51	3.84	120.63	3.49	0.00	0.00	0.00	0.00
Dhupion Fabric	51.76	2.03	496.53	14.38	227.92	21.54	168.64	11.74
Natural Fiber	230.24	9.06	122.70	3.55	0.00	0.00	0.00	0.00
Poly Linen	25.66	1.01	97.00	2.81	0.00	0.00	0.00	0.00
Revenue from Operations*	2541.06	100	3452.32	100	1058.02	100	1438.39	100

Note: In total revenue duty drawback/ MEIS/ RODTEP Export income is not considered.

As certified by our Statutory Auditor M/s. A.H. Jain & Co. vide certificate dated March 07, 2026 vide UDIN.: 26142660CCCXA8916

b) Industries Served and Typical Customers/clients.

The Company is engaged in the manufacture of a range of textile fabrics. These fabrics are supplied for applications in the textile and apparel industry. A portion of the Company’s products is utilized in the manufacturing of sarees, which continues to be a primary area of focus. In addition to saree, the Company’s products are also used in the production of kurtas, garments, and other apparel items. The Company is in the process of expanding its product range further with the inclusion of nylon fabrics. This addition is expected to diversify the product portfolio and extend the Company’s presence in segments of the textile market.

c) Segment Reporting and Revenue Contribution

Our Company is engaged in single reportable segment.

d) Key Geographies served

The Company initially supplied products to Cambodia and the domestic market in Surat. Over time, its export network expanded to include Bahrain, Singapore, and Thailand, while on the domestic front, the Company extended its presence to other key markets such as Delhi, Bangalore, Karnataka, Maharashtra, Uttar Pradesh, Punjab and Rajasthan. At present, we cater to domestic markets as well as international markets.

Country wise and State wise Revenue Bifurcation of our products are as below:

(₹ in Lakhs)

Particular	November 30, 2025 (Consolidated)		For Fiscal 2025 (Consolidated)		For Fiscal 2024 (Standalone)		For Fiscal 2023 (Standalone)	
	Value	%	Value	%	Value	%	Value	%
Domestic Sale								
Maharashtra	0.03	0.00	2.78	0.081	0.00	0.00	0.00	0.00
Rajasthan	13.95	0.55	0.06	0.000	0.00	0.00	0.00	0.00
Gujarat	1403.77	55.24	1838.75	53.26	0.00	0.00	9.27	0.65
UP	0.00	0.00	5.43	0.16	0.00	0.00	0.00	0.00
Delhi	0.06	0.00	0.83	0.02	0.00	0.00	0.00	0.00
Punjab	0.00	0.00	11.17	0.32	0.00	0.00	0.00	0.00
Karnataka	27.46	1.08	37.39	1.08	0.00	0.00	0.00	0.00
Total	1445.28	56.88	1,896.41	54.92	0.00	0.00	9.27	0.65
International Sale								
Cambodia	877.63	34.54	1370.81	39.71	830.09	78.46	1124.56	78.18
Thailand	189.09	7.44	96.21	2.79	162.44	15.35	143.03	9.94
Bahrain	29.02	1.14	88.90	2.58	65.48	6.19	65.78	4.57
Singapore	0.00	0.00	0.00	0.00	0.00	0.00	95.74	6.66
Total International Sales	1095.75	43.12	1,555.92	45.08	1,058.02	100.00	1429.12	99.35
Revenue from Operations	2541.06	100.00	3452.33	100.00	1058.01	100.00	1438.39	100.00

e) *Revenue concentration among top 5 customer*

The top five customers contributed:

(₹ in Lakhs)

Particulars	November 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 5 Customer	1688.67	66.45	2296.65	66.54	972.11	91.88	1276.67	88.75

f) *Key manufacturing or other Facilities*

Our manufacturing units is situated at Plot No.-16, 23,24,25,26 and 27 of Sai Ram Industrial Estate-2, Bamroli Gam, Bamroli, Surat, Gujarat, 394107 and registered office is situated at 28 of Sai Ram Industrial Estate-2, Bamroli Gam, Bamroli, Surat, Gujarat, 394107.

g) *Business Strengths and Strategies*

Strengths: 1) Quality Products; 2) Efficient Production Process; 3) Customization and Flexibility; 4) Global Reach and Export Capability; 5) Range of Products; 6) Location of Facility; 7) Promoter and Management Involvement.

Strategies: 1) Expansion of Production Capacity and Product Range; 2) Increase in Geographical Presence; 3) New product Development and Innovation; 4) Efficient Supply Chain Management.

For further details, see “Business Overview” beginning on page 104 of the Red Herring Prospectus.

2. **Summary of the Industry**

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world. The organized retail apparel sector is projected to achieve revenue growth of 8-10% in the current financial year, driven by rising demand from a normal monsoon, easing inflation, and the festive and wedding seasons. The increasing preference for affordable, trendy fashion clothing that mimics high-fashion designs is expected to be the primary revenue driver. In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUPS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade. The Indian textiles market is expected to be worth US\$ 350 billion by 2030.

For further details, see “Industry Overview” beginning on page 93 of the Red Herring Prospectus.

3. Promoters of our Company

Sr. No.	Name	Nature of entity - Individual/ Corporate	Experience and Educational Qualification
1	Hardik Gotawala	Individual	He is the Promoter and Managing Director of our Company and has been associated with it as the first Director since incorporation. He has completed his Higher Secondary Education from the Gujarat Secondary and Higher Secondary Education Board, Gandhinagar in March 2011. He is also the proprietor of Tripura Textile, established on May 01, 2015, which is engaged in the business of weaving, manufacturing of silk and silk mixture fabrics. He has over 10 years of experience in the textile industry.
2	Abhishek Gotawala	Individual	He is the Promoter and Whole-time Director of our Company and has been associated with it as the first Director. He holds a Bachelor of Business Administration degree from Veer Narmad South Gujarat University, Surat, obtained in May 2018. He is also the proprietor of Abhishek Tex Fab, established on May 15, 2019, which is engaged in the business of weaving and manufacturing of silk and silk mixture fabrics. He has over 6 years of experience in the textile industry.
3	Nilesh Gotawala	Individual	He is Promoter and Whole-time Director of our Company and has been associated with it as the first Director. He completed his Matriculation from the Gujarat Secondary Education Board, Gandhinagar in March 1990. He is also the proprietor of Shree Jalaram Enterprise, established on July 5, 2012, which is engaged in the business of weaving and manufacturing of silk and silk mixture fabrics. He has over 13 years of experience in the textile industry.

For further details, see “Our Promoter and Promoter Group” beginning on page 149 of the Red Herring Prospectus.

4. Objects of the issue:

The present Public Issue of 26,70,000 Equity Shares at an issue price of ₹ [●] per Equity Share. Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:

S. No.	Objects of the Issue	Summary
1.	Capital Expenditure for Factory Premises	The Company is engaged in manufacturing of textile fabrics, including jacquard Fabrics and other woven products. The unit is situated at plot No Plot No P-1, Q-5, Diamond Industrial Park, Sachin, Suart and undergoing expansion by constructing 44893.39 sq. ft. The company obtained the quotation from Tejas V. Gonawala, Engineers and Building Contractor, LG-5 Sai darshan Complex, Nr. Roopam Cinema, Salabatpura, Surat dated August 04,2025 which is valid for 180 days. The construction of factory premises has been approved by Board of Directors on their meeting held on September 05, 2025.
2.	Capital Expenditure for purchase of equipment/ machineries	The Company has identified an indicative list of plant and machinery intended for purchase, along with details of the quotations received. As of now, no orders have been placed, and all machines will be newly procured. The promoters are confident in acquiring the machinery at the quoted prices. The Indigenous Machineries are (1) Falet Machine (2) Folding Machine Fully Auto, Model: LBM - J (3) Brand New Rapier Loom Of 190 CM RS, Model: LBM - J (4) Brand New Rapier Loom Of 190 CM RS. The Imported Machineries are (1) Brand New High-Speed Automatic Air Jet Loom (2) Brand New High Speed Shuttleless Rapier Loom.
3.	Working Capital Requirement	The Company has purchased machinery pursuant to a Transfer Agreement dated September 27, 2024, with its associate entities—Abhishek Tex fab, Hardik Textile, Mansi Enterprise, Jalaram Enterprise, and Tripura Textile. The company's half-year turnover for FY 2024–25 (October to March) is ₹2,422.54 lakhs, compared to ₹610.15 lakhs in the same period of FY 2023–24—a rise of approx. 297%. With this level of growth, the company now requires additional working capital. For FY 2027 the additional working capital requirement is estimated at ₹475.00 lakhs which is to be funded from the proposed IPO.
4.	General Corporate Purposes	We propose to deploy the balance Net Proceeds, aggregating to ₹ [●] lakhs towards general corporate purposes subject to such utilization not exceeding 15 % of the Gross Proceeds or ₹ 10 crores whichever is less in compliance with the SEBI ICDR Regulations.

Schedule of implementation and Deployment of Net Proceeds

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 2026-2027
1.	Capital Expenditure for Factory Premises	540.35	0.00	540.35
2.	Capital Expenditure for plant and machineries	932.50	0.00	932.50
3.	Working Capital	475.00	0.00	475.00
4.	General corporate purposes I	[●]	0.00	
	Total	[●]	0.00	[●]

¹The amount utilized for general corporate purposes shall not exceed 15.00% of the gross proceeds or ₹10.00 Crores; whichever is lower. For further details, see “Objects of the Issue” beginning on page 70 of the Red Herring Prospectus.

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

The aggregate shareholding, of each of the (i) Promoter(s), (ii) members of the Promoter Group and (iii) top 10 Shareholders (other than the Promoter and Promoter Group) as on the date of offer document and as at allotment is as below:

S.No.	Pre-Offer Shareholding			Post-Offer Shareholding as at the date of Allotment(2)	
	Name of the Shareholder	Number of Equity shares	Shareholding (%)	At floor Price and At Cap Price	
				Number of Equity Shares	Shareholding (%)
(A) Promoters					
1.	Hardik Gotawala	23,23,580	32.29%	23,23,580	23.55%
2.	Abhishek Gotawala	23,23,580	32.29%	23,23,580	23.55%
3.	Nilesh Gotawala	23,23,580	32.29%	23,23,580	23.55%
	Total (A)	69,70,740	96.87%	69,70,740	70.66%
(B) Promoter Group (other than our Promoters) – Nil					
(C) Additional top 10 Public Shareholders					
4.	Devanshu Dhoot	20,000	0.28%	20,000	0.20%
5.	Shri Gopal Chandmalji Malani	13,875	0.19%	13,875	0.14%
6.	Naman Patni	13,875	0.19%	13,875	0.14%
7.	Shubham Rajesh Kumar Kothari	13,875	0.19%	13,875	0.14%
8.	AKSR Amusement ventures LLP	10,000	0.14%	10,000	0.10%
9.	Rakesh kumar Nagpal	10,000	0.14%	10,000	0.10%
10.	Sandesh Distributor Private Limited	10,000	0.14%	10,000	0.10%
11.	Seema Vinodkumar Jain Chawat	10,000	0.14%	10,000	0.10%
12.	Vinod Sujanmal Chawat Jain	10,000	0.14%	10,000	0.10%
13.	Ketan Balvantrai Sheth	10,000	0.14%	10,000	0.10%
	Total (C)	1,21,625	1.69%	1,21,625	1.23%
(D) Other Public Shareholders					
14.	Other Public shareholders	1,03,375	1.44%	27,73,375	28.11%
	Total (D)	1,03,375	1.44%	27,73,375	28.11%
	Total (A+B+C+D)	71,95,740	100.00%	98,65,740	100.00%

Notes:

- Includes all options that have been exercised until date of Red-herring prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisements until date of the red-herring prospectus.
- Based on the Issue price of ₹[●] and subject to finalization of the basis of allotment

For further details, see “Capital Structure” beginning on page 57 of the Red Herring Prospectus.

6. Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Financial statements for the Eight months period ended November 30, 2025 and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in Lakhs, unless otherwise specified)

Particulars	For the period ended/ For the year ended			
	November 30, 2025 (Consolidated)	March 31, 2025 (Consolidated)	March 31, 2024 (Standalone)	March 31, 2023 (Standalone)
Share Capital	719.57	719.57	49.50	49.50
Net Worth	1876.60	1378.64	196.73	114.75
Revenue	2608.41	3,517.30	1,111.22	1,490.27
EBITDA	735.23	671.68	127.24	48.65

Particulars	For the period ended/ For the year ended			
	November 30, 2025 (Consolidated)	March 31, 2025 (Consolidated)	March 31, 2024 (Standalone)	March 31, 2023 (Standalone)
Profit after Tax	508.58	446.80	81.98	25.25
Basic Earnings per share	7.07	6.69	1.27	0.40
Diluted earnings per share	7.07	6.69	1.27	0.40
Return on Equity	27.10%	32.41%	41.67%	22.00%
Net asset value per equity share	26.08	19.16	39.74	23.18
Total borrowings	286.73	325.73	147.33	133.66
Cash Flow from Operating Activities	(14.81)	(43.17)	67.64	193.99
Cash Flow from Investing Activities	(44.86)	(717.73)	(63.08)	(336.69)
Cash Flow from Financial Activities	(56.57)	888.89	5.59	128.15

For details, see “Restated Financial Information” and “Other Financial Information” on pages 155 and 202 respectively of the red-herring prospectus.

7. Summary of Key Performance Indicators (KPI)

Details of our KPIs for the Eight months period ended November 30, 2025 and as of Fiscal 2025, Fiscal 2024 and Fiscal 2023:

Particulars	November 30, 2025	March 2025	March 2024	March 2023
	Consolidated	Consolidated	Standalone	Standalone
Revenue from operations (1)	2608.41	3517.30	1111.22	1490.27
Total Income (2)	2,628.20	3550.41	1270.10	1506.24
EBITDA (3)	735.23	671.68	124.24	48.65
EBITDA (%) Margin (4)	27.97	18.92	11.29	3.23
Profit after Tax (5)	508.58	446.80	81.98	25.25
Current Ratio (6)	1.97	1.94	0.77	0.54
Debt Equity Ratio (7)	0.15	0.24	0.75	1.16
Debt Service Coverage Ratio (8)	42.92	4.48	1.77	4.02
Return on Capital Employed (%) (9)	31.99%	37.56	35.11	19.03
Net profit Ratio (%) (10)	19.50%	12.70	7.38	1.69
Return on Equity (%) (11)	31.15%	56.72	52.64	32.32

As certified by the Statutory auditor vide their certificate dated March 07, 2026 bearing UDIN: 2614266DLIOFP8336.

Notes:

- (1) Revenue from operations is calculated as the sum of revenue from sale.
- (2) Total income is calculated as the sum of revenue from operations and other income for the period/year.
- (3) Operating EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items.
- (4) Operating EBITDA Margin refers to EBITDA during a given period as a percentage of Total income during that period.
- (5) Profit / (loss) for the period/ year is calculated as Total Income less Total Expenses plus Share of (loss) from joint ventures (Net of tax) less Total Tax expenses for the period/ year.
- (6) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- (7) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by total equity (which includes issued capital and all other equity reserves).
- (8) Debt Service Coverage Ratio is calculated by dividing the sum of Profit after Tax and interest amount by sum of the repayment of loan and Interest.
- (9) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus Reserves & Surplus.
- (10) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue.
- (11) Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage

For further details, see “Basis for Issue Price” on pages 84 of the Red-herring prospectus.

8. Risk Factors

The following are the top 10 internal risk factors as disclosed in the Red Herring Prospectus:

1. We have not yet placed orders in relation to the capital expenditure to be incurred for the proposed, purchase of equipment / machineries. In the event of any delay in placing the orders for Machineries or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs.
2. Our business is significantly dependent on yarn and other related raw materials, and fluctuations in their prices or availability, as well as concentration of our supplier base, may adversely affect our operations, margins, and profitability.
3. Our operations are energy-intensive and any disruption in power supply or increase in energy costs may adversely affect our business and financial performance.
4. Potential Exposure to Competition Despite Non-Compete Agreements with Promoter Group Entities.
5. Potential Conflicts of Interest Arising from Promoters' Proprietary Businesses and Their Operational Overlap with Our Company.
6. Our business is working capital intensive and any inability to secure adequate financing may adversely impact operations.
7. Dependence on third-party and subsidiary job work arrangements.
8. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flow in the future could adversely affect our results of operations and financial condition.
9. There may have been certain instances of non-compliances with respect to certain corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties.
10. Our business is seasonal in nature, which could adversely affect our business operations and financial performance.

For further details of the risks applicable to us, see “*Risk Factors*” beginning on page 15 of Red Herring prospectus.

9. Details of weighted average cost of acquisition of Equity Shares for Promoters and Selling Shareholders.

The weighted average cost of acquisition of Equity Shares of our Promoters are as follows:

Names of Promoters	Number of Equity Shares	WACA per equity share (in ₹)	WACA per equity shares acquired in last one year
Hardik Gotawala	23,23,580	7.89	Nil
Abhishek Gotawala	23,23,580	7.89	Nil
Nilesh Gotawala	23,23,580	7.89	Nil

Weighted average cost of acquisition of all shares transacted in the last one year is nil and in the last three years is Rs. 100 (excluding bonus issue) preceding the date of the Red-herring Prospectus.

For further details, see “*Capital Structure*” on pages 57 of the Red-herring prospectus.

10. Board of Directors and Key Managerial Personnel

Sr. No.	Name of Director	Designation
Board of Directors		
1.	Hardik Gotawala	Managing Director
2.	Abhishek Gotawala	Whole Time Director
3.	Nilesh Gotawala	Whole Time Director
4.	Shreyansh Shah	Independent Director
5.	Sefali Sanghvi	Independent Director
6.	Harshal Agrawal	Independent Director
Key Managerial Personnel		
7.	Shafali Jain	Chief Financial Officer
8.	Swati Malu	Company Secretary and Compliance Officer

For further details, see “*Our Management*” beginning on page 136 of the Red Herring Prospectus.

11. Auditor Qualifications

There are no auditor qualifications in the Restated Financial Information for the periods presented in the Red-herring prospectus. For further details, see “*Restated Financial Information*” on page 155 of the Red Herring Prospectus.

12. Summary table of Outstanding Litigation

(₹ in lakhs)

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory authorities	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Other Pending litigation	Aggregate amount involved (₹ in lakhs)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
Promoters, Directors, KMP, SMP						
By the Promoters, Directors, KMP, SMP	Nil	Nil	12.24	Nil	Nil	12.24
Against the Promoters, Directors, KMP, SMP	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 204 of the Red Herring Prospectus.

The Equity Shares offered in the Offer 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, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.