



**Prospectus**  
**Dated: December 14, 2018**  
**Fixed Price Issue**

**Refer section 32 of the Companies Act, 2013**

**AXITA COTTON LIMITED**

Our Company was incorporated as “Axita Cotton Private Limited” at Ahmedabad on July 16, 2013, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Axita Cotton Limited” and fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad. For details of change in name and registered office of our Company, please refer to chapter titled “HISTORY AND CORPORATE MATTERS” beginning on page no. 98 of this Prospectus.

**Registered office:** Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana-382715, Gujarat

**CIN:** U17200GJ2013PLC076059; **Website:** www.axitacotton.com; **E-Mail:** cs@axitacotton.com

**Company Secretary and Compliance Officer:** Mr. Deepakkumar Chaubisa; **Telephone No.:** +91 63587 47514

**PROMOTERS OF THE COMPANY:**

**MR. NITINBHAI GOVINDBHAI PATEL, MR. KUSHAL NITINBHAI PATEL AND MR. AMITKUMAR GOVINDBHAI PATEL**

**THE ISSUE**

**PUBLIC ISSUE OF 1752000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF AXITA COTTON LIMITED (“AXITA” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 60 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 50 PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ 1051.20 LAKH (“THE ISSUE”), OF WHICH 92000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 60 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 50 PER EQUITY SHARE AGGREGATING TO ₹ 55.20 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 1660000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 60 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 50 PER EQUITY SHARE AGGREGATING TO ₹ 996.00 LAKH IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.74% AND 25.34% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIERMENTS) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.**

For further details see “TERMS OF ISSUE” beginning on page no. 210 of this Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to chapter titled “ISSUE PROCEDURE” beginning on page no. 217 of this Prospectus. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS ₹ 60. THE ISSUE PRICE IS 6 TIMES OF THE FACE VALUE.**

**RISK IN RELATION TO THE FIRST ISSUE**

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 Shares is ₹ 10 per Equity Shares and the Issue price is 6 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. 64 of this 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 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 offering. 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 nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “RISK FACTORS” beginning on page no. 14 of this Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 this 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 this 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 offered through this Prospectus are proposed to be listed on SME Platform of BSE Limited. 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 December 11, 2018 from BSE Limited (“BSE”) for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited.

**LEAD MANAGER**



**BEELINE BROKING LIMITED**  
**SEBI Registration Number:** INM000012546  
**Address:** Office No. 1 To 3, Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura, Ahmedabad – 380 009  
**Telephone Number:** +91 79 6817 4040  
**Email Id:** mb@beelinebroking.com  
**Investors Grievance Id:** ig@beelinebroking.com  
**Website:** www.beelinebroking.com  
**Contact Person:** Mr. Vanesh Panchal  
**CIN:** U51900GJ2014PLC080598

**REGISTRAR TO THE ISSUE**



**LINK INTIME INDIA PRIVATE LIMITED**  
**SEBI Registration Number:** INR000004058  
**Address:** C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Maarg, Vikhroli (West), Mumbai – 400 083, Maharashtra  
**Tel. Number:** +91 22 4918 6200; **Fax Number:** +91 22 4918 6195  
**Email Id:** axita.ipo@linkintime.co.in  
**Investors Grievance Id:** axita.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**CIN:** U67190MH1999PTC118368

**ISSUE PROGRAMME**

**ISSUE OPENS ON: THURSDAY, DECEMBER 27, 2018**

**ISSUE CLOSES ON: WEDNESDAY, JANUARY 2, 2019**



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## SECTION I – DEFINITIONS AND ABBREVIATIONS

Term	Description
“AXITA”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Axita Cotton Limited, a public limited company, registered under the Companies Act, 1956 and having its registered office at Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana -382715.
Our Promoters	Mr. Nitinbhai Govindbhai Patel, Mr. Kushal Nitinbhai Patel and Mr. Amitkumar Govindbhai Patel
Promoters Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoters Group”.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Auditors	The Statutory auditors of our Company, being M/s. Manish Dave & Co., Chartered Accountants, Ahmedabad.
Board of Directors / Board	The Board of Directors of Axita Cotton Limited unless otherwise specified.
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
ED	Executive Director
Indian GAAP	Generally Accepted Accounting Principles in India
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled “OUR MANAGEMENT” on page no. 102 of this Prospectus.
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non Residents	A person resident outside India, as defined under FEMA
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.
Peer Review Auditor	The Peer Review auditors of our Company, being M/s. Purushottam Khandelwal & Co., Chartered Accountants.
Registered Office	The Registered office of our Company located at Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana -382715.
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
WTD	Whole Time Director

### ISSUE RELATED TERMS

Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.

Terms	Description
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the chapter "ISSUE PROCEDURE - BASIS OF ALLOTMENT" on page no. 234 of this Prospectus.
Bankers to our Company	Oriental Bank of Commerce
Bankers to the Issue and Refund Banker	IndusInd Bank Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Draft Prospectus	The Draft Prospectus dated November 21, 2018 issued in accordance with Section 32 of the Companies Act filed with the BSE Limited under SEBI(ICDR) Regulations
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Engagement Letter	The engagement letter dated August 2, 2018 between our Company and the LM
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	The Public Issue of 1752000 Equity Shares of ₹ 10/- each at ₹ 60/- per Equity Share including share premium of ₹ 50/- per Equity Share aggregating to ₹ 1051.20 Lakh by Axita Cotton Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Prospectus, being ₹ 60/-.
LM / Lead Manager	Lead Manager to the Issue, in this case being Beeline Broking Limited.
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the SME Platform of BSE.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 1660000 Equity Shares of ₹ 10/- each at ₹ 60/- per Equity Share including share premium of ₹ 50/- per Equity Share aggregating to ₹ 996.00 Lakh by Axita Cotton Limited.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors
Qualified Institutional Buyers / QIBs	Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign individual; Public financial institutions as defined in Section 2(72) of the Companies Act, 2013; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of ₹ 2,500 Lakh; Pension Funds with minimum corpus of ₹ 2,500 Lakh; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.

Terms	Description
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made
Registrar / Registrar to the Issue	Registrar to the Issue being Link Intime India Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs 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> <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
SME Platform of BSE Limited	The SME Platform of BSE Limited for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Underwriter	Underwriter to the issue is Beeline Broking Limited.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated October 25, 2018.
Working Days	i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, 2018.

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AE	Advance Estimates
APMC	The Agriculture Produce Market Committee
AQSIQ	Administration of Quality Supervision, Inspection and Quarantine (People's Republic of China)
BCI	The Better Cotton Initiative
CGST	Central Goods and Services Tax
DGFT	The Directorate General of foreign Trade
FDI	Foreign Direct Investment
FIEO	The Federation of Indian Export Organisations
GDP	Gross Domestic Product
GDP	Gross Domestic product
GST	Goods and Service Tax
GVA	Gross Value Added
GW	gigawatt
HDPE	High-density polyethylene
IGST	Integrated Goods and Services Tax. Integrated GST
J & K	Jammu & Kashmir
MAT	Minimum Alternate Tax
MR	Market Research
MT	Metric Ton
MW	Megawatt
PM	Prime Minister



## CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
DIN	Director's identification number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index



Term	Description
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	<p data-bbox="523 595 1425 651">Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p data-bbox="523 685 1425 831">In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Prospectus is derived are extracted from the restated financial statement for the period ended on June 30, 2018 and financial year ended on March 31, 2018; 2017; 2016; 2015 and 2014 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in the Prospectus, and set out in the chapter titled “RESTATED FINANCIAL INFORMATION” beginning on page no. 121 of the Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. Further, figure represented in the BRACKET or with the sign “ - ” indicates NEGATIVE data in this Prospectus in relation to our Company and Industries.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “RISK FACTORS”, “BUSINESS OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” beginning on page nos. 14, 75 and 176 respectively of this Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### CURRENCY AND UNITS OF PRESENTATION

In the Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency,
- All references to the word ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

## FORWARD LOOKING STATEMENTS

All statements contained in the Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections/chapters “RISK FACTORS”, “BUSINESS OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” on page nos. 14, 75 and 176 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our Company is producing cotton bales and cotton seeds. Our Company is producing mainly two varieties of cotton bales namely Shankar-6 and MCU-5/MECH. The production facility of our Company is situated at Kadi in Mahesana District of Gujarat state which is close to the rich cotton growing areas of Maharashtra, Saurashtra and other regions of Gujarat. Our products are sold majorly in the state of Gujarat, Rajasthan, Maharashtra and Madhya Pradesh. We are also engaged in the business of trading of Kapas, cotton bales and cotton seeds. We are also doing ginning and pressing of Kapas on job work basis. We are ISO 9001:2015 certified company by OCI (Optimum Certifications INC.). We are also member of Better Cotton Initiatives (Independent Organization) which promotes better standards in cotton farming and practices across various countries. For detailed information on our business activities, please refer to Chapter titled “BUSINESS OVERVIEW” on page no. 75 of this Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

Textiles are known to mankind since or earlier than 7,000 BC. The knowhow of textiles is older than metal working or pottery making. There are evidences that have been unearthed which has proved that people in Harrapan civilization knew weaving and spinning. Such is the age of textiles in India. In the medieval period, the evolution advanced a step further when William Lee invented the stocking frame, the first but hand- operated weft knitting machine.

But the real evolution of textiles in the field of technology happened in the industrial age. One name which finds worth mentioning over here is Sir Richard Arkwright. A visionary and doyen of his standards, he infused the much needed technology at that point of time to give spinning and weaving an industrial outlook through his inventions.

For detailed overview of our Industries, please refer to Chapter titled “INDUSTRY OVERVIEW” on page no. 68 of this Prospectus

### NAME OF PROMOTERS

The Promoters of our Company are Mr. Nitinbhai Govindbhai Patel, Mr. Kushal Nitinbhai Patel and Mr. Amitkumar Govindbhai Patel. For detailed information on our Promoters and Promoters’ Group, please refer to Chapter titled “OUR PROMOTERS AND PROMOTERS’ GROUP” on page no. 115 of this Prospectus.

### SIZE OF THE ISSUE

Our Company is proposing the Fresh Public Issue of 1752000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 60 per Equity Share including a Share Premium of ₹ 50 per Equity Share (the “issue price”) aggregating to ₹ 1051.20 lakh (“the issue”), of which 92000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 60 per Equity Share including a Share Premium of ₹ 50 per Equity Share aggregating to ₹ 55.20 lakh will be reserved for subscription by Market Maker to the issue (the “Market Maker Reservation Portion”). The issue less the Market Maker Reservation portion i.e. 1660000 Equity Shares of face value of ₹ 10 each at a price of ₹ 60 per Equity Share including a Share Premium of ₹ 50 per Equity Share aggregating to ₹ 996.00 lakh is herein after referred to as the “net issue”. The Issue and the Net Issue will constitute 26.74% and 25.34% respectively of the Post Issue Paid up Equity Share Capital of our company.

### OBJECT OF THE ISSUE

The details of proceeds of the Issue are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds from the Issue	1051.20
Less: Issue Related Expenses	51.20
<b>Net Proceeds</b>	<b>1000.00</b>

### Utilization of Net Proceeds

The Net proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Net Incremental Working Capital Requirement	1000.00
<b>Net Proceeds</b>	<b>1000.00</b>

For detailed information on the “Objects of the Issue”, please refer to chapter titled “Objects of the Issue” on page no. 60 of this Prospectus.

## SHAREHOLDING

The shareholding pattern of our Promoters and Promoters’ Group before the Issue is as under;

Sr. No.	Name of share holder	No. of equity shares (Pre-issue)	As a % of Pre-issue Issued Capital*	No. of equity shares (Pre-issue)	As a % of Post issue Issued Capital*
<b>Promoters</b>					
1	Mr. Nitinbhai Govindbhai Patel	1785500	37.20	1785500	27.25
2	Mr. Kushal Nitinbhai Patel	1998524	41.64	1998524	30.50
3	Mr. Amitkumar Govindbhai Patel	712200	14.84	712200	10.87
<b>Total - A</b>		<b>4496224</b>	<b>93.67</b>	<b>4496224</b>	<b>68.62</b>
<b>Promoters’ Group</b>					
4	Mrs. Gitaben Nitinbhai Patel	226176	4.71	226176	3.45
5	Mrs. Gitaben Amitbhai Patel	57500	1.20	57500	0.88
6	Mrs. Pooja Kushal Patel	20000	0.42	20000	0.31
7	Mr. Krunalbhai Girishkumar Patel	100	0.00	100	0.00
<b>Total - B</b>		<b>303776</b>	<b>6.33</b>	<b>303776</b>	<b>4.64</b>
<b>Total Promoters and Promoters’ Group (A+B)</b>		<b>4800000</b>	<b>100.00</b>	<b>4800000</b>	<b>73.26</b>

\* Rounded off

## FINANCIAL DETAILS

Sr. No.	Particulars	For the period ended on June 30, 2018	For the year ended on		
			March 31, 2018	March 31, 2017	March 31, 2016
1.	Share Capital	250.00	250.00	250.00	250.00
2.	Net worth	350.18	316.25	234.50	230.47
3.	Revenue from operations	2,116.66	12,345.78	9,023.06	6,808.83
4.	Profit After Tax	32.60	82.13	2.71	12.46
5.	Earnings Per Share – Basic	1.30	3.29	0.11	0.50
6.	Earnings Per Share – Diluted	1.30	3.29	0.11	0.50
7.	NAV per Equity Shares	14.01	12.65	9.38	9.22
8.	Total Borrowings (As per Restated Balance Sheet)*	1661.79	1696.39	1491.39	1120.13

\* Total Borrowings includes installment amounts of term loans repayable within 12 months grouped under “Other Current Liabilities”.

## AUDITORS’ QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS.

Independent Auditor’s Report on Restated Standalone Financials Statements issued by Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad contains following Qualifications;

*As per Accounting Standard – 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance.*

The Management has decided to apply pay-as-you-go method for payment of gratuity. So amount of gratuity will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis. For further details, kindly refer Risk Factor No. 8 under the Section titled “RISK FACTORS” beginning from page no. 14 of this Prospectus.

## OUTSTANDING LITIGATIONS

### Litigations against Company – Under Income Tax Act, 1961

Sr. No.	Nature of Litigations	No. of Demands/ Notices	Total Amount involved (in ₹)
1.	Scrutiny for Assessment Year 2017-18 (F.Y. 2016-17)- Scrutiny (Computer Aided Scrutiny Selection)	1	Not Quantifiable
2.	Demands for Tax Deducted at Source	10	10,140.00

### Litigations against Directors and Promoters – Under Income Tax Act, 1961

Sr. No.	Name of Directors and Promoters / Nature of Litigations	No. of Demands/ Notices	Total Amount involved (in ₹)
1.	Against Mr. Nitinbhai Govindbhai Patel – Income Tax Demand for Assessment Year 2017-18	1	79,940.00
2.	Against Mr. Amitkumar Govindbhai Patel – Income Tax Demand for Assessment Year 2017-18, 2016-17 and 2013-14	3	4,900.00
3.	Against Mr. Kushal Nitinbhai Patel – Income Tax Demand for Assessment Year 2014-15	1	3,130.00
4.	Against Mrs. Diptiben Hemantkumar Patel – Income Tax Demand for Assessment Year 2017-18	1	230.00

### Litigations against Group Companies/ Entities – Under Income Tax Act, 1961

Sr. No.	Name of Group Entities/Companies / Nature of Litigations	No. of Demands/ Notices	Total Amount involved (in ₹)
1.	Axita Exports Private Limited - Demands for Tax Deducted at Source	7	28,000.00
2.	Aditya Oil Industries - Demands for Tax Deducted at Source	7	17,480.00
3.	Aditya Oil Industries – Penalty under section 271(1)(c) of the Income Tax, Act, 1961 w.r.t. concealment of the particulars of income or furnished inaccurate particulars of such income in respect of Assessment Year 2014-15 (Financial Year 2013-14)	1	Not Quantifiable/Not available

For detailed information on the “Outstanding Litigations”, please refer to chapter titled “OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS” on page no. 185 of this Prospectus.

## RISK FACTORS

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 offering. 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 nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “RISK FACTORS” beginning on page no. 14 of this Prospectus.

## CONTINGENT LIABILITIES

The details of Restated Summary Statement of Contingent Liabilities is given hereunder.

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Contingent liabilities in respect of:						
Claims against the company not acknowledged as debts	0.00	0.00	0.00	0.00	0.00	0.00



Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Guarantees given on Behalf of the Partnership Firm (Aaditya Oil Industries)	1160.00	1160.00	0.00	0.00	0.00	0.00
Guarantees given on Behalf of the Subsidiary Company	0.00	0.00	0.00	0.00	0.00	0.00
Other moneys for which the company is contingently liable	0.00	0.00	0.00	0.00	0.00	0.00
Commitments (to the extent not provided for)						
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.00	0.00	0.00	0.00	0.00	0.00
Uncalled liability on shares and other investments partly paid	0.00	0.00	0.00	0.00	0.00	0.00
Other commitments	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1160.00</b>	<b>1160.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Note:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

For detailed information on the Contingent Liabilities on our Company, please refer “Annexure - W” appearing on page 173 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on Page no. 121 of this Prospectus.

## RELATED PARTY TRANSACTIONS

(₹ in Lakh)

Nature of Transactions	For the period ended on June 30, 2018	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2016
<b>Payment of Remuneration to Directors and Directors’ Relatives</b>	14.27	57.02	51.80	17.10
<b>Loans Taken</b>				
<b>Opening Balance</b>	616.85	669.14	242.34	81.47
<b>Amount Raised</b>	11.00	218.58	789.79	665.86
<b>Amount Repaid</b>	0.00	270.87	362.99	504.99
<b>Closing Balance</b>	627.85	616.85	669.14	242.34
<b>Loan Given</b>				
<b>Opening Balance</b>	0.00	0.00	0.00	0.00
<b>Amount Given</b>	5.44	0.00	0.00	0.00
<b>Amount Received</b>	0.00	0.00	0.00	0.00
<b>Closing Balance</b>	5.44	0.00	0.00	0.00
<b>Payment of Tractor Rent</b>	0.00	0.60	1.32	1.44
<b>Purchase</b>	580.12	2359.49	2855.77	882.59
<b>Sale</b>	1008.60	8495.06	4507.20	1437.05
<b>Job Charges and others</b>	0.00	18.76	0.60	0.00
<b>Closing Balance – Payable</b>	440.86	0.00	0.00	0.00
<b>Closing Balance – Receivable</b>	1462.32	512.30	198.31	0.00
<b>Payment of Interest</b>	14.98	48.32	7.76	2.99

For detailed information on the related party transactions executed by our Company, please refer “Annexure – T” appearing on page no. 164 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on Page no. 121 of this Prospectus.

## FINANCING ARRANGEMENTS

The promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Prospectus.

### **COST OF ACQUISITION & WEIGHTED AVERAGE COST**

**Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:**

Sr. No.	Name of Promoters	No. of Equity Shares Acquired during last one Year	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Nitinbhai Govindbhai Patel	900000	15.00
2.	Mr. Kushal Nitinbhai Patel	1331524	15.06
3.	Mr. Amitkumar Govindbhai Patel	-	-

\* The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.

**Average Cost of Acquisitions of Shares for Promoters:**

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Mr. Nitinbhai Govindbhai Patel	1785500	11.94
2.	Mr. Kushal Nitinbhai Patel	1998524	12.62
3.	Mr. Amitkumar Govindbhai Patel	712200	6.94

\* The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Prospectus.

### **PRE-IPO PLACEMENT**

Our Company has not placed any Pre-IPO Placement.

### **ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH**

Our Company has not issued shares for consideration other than cash during last one year.

### **SPLIT / CONSOLIDATION**

No Split or Consolidation were happened during the last one year.

## SECTION III – RISK FACTORS

### RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

**The Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus.**

#### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in the future.

#### Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “RISK FACTORS” and elsewhere in this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

Unless otherwise specifically provided in the respective Risk factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

#### INTERNAL RISK FACTORS:

##### **1. Our business is subject to seasonal volatility which contributes to fluctuations in our results of operations and financial condition.**

The raw material used by our Company is seed cotton (“Kapas”). Due to the seasonal availability of the Kapas, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season. On an average our production facilities operate for a period of approximately for 8 (eight) months in a year. During the crop season, we are able to procure the Kapas at reasonable terms and in large quantities. Whereas during the off season the availability of the Kapas is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole financial year. Due to seasonal and cyclical industry, the availability of Kapas at reasonable terms and in requisite quantities may not be available, as a result our results of operations and financial conditions may adversely affect.

##### **2. Major portion of revenue is derived by our company is from goods sold to the Axita Exports Private Limited and Aditya Oil Industries (Group Company/Entity).**

The major portion of the revenue of our company is derived from the sales made to Axita Exports Private Limited and Aditya Oil Industries (Group Company/Entity). The sale made to these entities during the period ended/financial year ended on June 30, 2018, March 31, 2018, and 2017 amounted to ₹ 1008.60 Lakhs, ₹ 8495.06 Lakhs and ₹ 4507.20 Lakhs constituting 47.65%, 68.81% and 49.95% of total revenue from operations respectively. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained

better and more favourable terms, if our company has not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse affect on results of our operations. For details of sales made to our group Company/entities, please refer to “Annexure – T” – “RELATED PARTY TRANSACTIONS” on page no. 164 under the chapter titled “RESTATED FINANCIAL INFORMATION” beginning on page no. 121 of this Prospectus.

### 3. Our Company has incurred losses in the past.

Our Company has in the past incurred losses. Although we have made profits for the period ended on June 30, 2018 and financial year ended on March 31, 2018 March 31, 2017 and March 31, 2016 but there can be no assurance that we will be able to maintain the profitability in future.

The details are as mentioned below:

(₹ in Lakh)

Particulars	For the period ended on June 30, 2018	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2016	For the year ended on March 31, 2015	For the year ended on March 31, 2014
Profit (Loss) After Tax	32.60	82.13	2.71	12.46	(28.51)	5.85

For further details, please see the chapter titled “RESTATED FINANCIAL INFORMATION” on page no. 121 of this prospectus.

### 4. Certain forms filed by our company with ROC are improper. Moreover, some of the secretarial procedure has not been properly followed by our company. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Moreover, certain forms filed by our Company are not proper such as INC-22 for shifting of Registered Office, MGT-7 (Annual Return) in respect of the financial year 2014-15 & 2015-16. Moreover, certain secretarial procedure has not been properly followed by our company w.r.t. increase in authorized capital.

Although no show cause notice have been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against our Company and its directors, in such event the financials of our Company and our directors may be adversely affected.

### 5. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

Some of the permits, licenses and approvals etc. are granted for a fixed period of time and may expire and for which we may have to make an application for obtaining the approval or its renewal. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. Moreover, there can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Further, certain statutory and regulatory authority may put certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. For more information on the various statues applicable to our company, please refer chapter titled “KEY INDUSTRY REGULATIONS” appearing on page no. 88 of this Prospectus.

Many of the Licenses and approvals are in the name of Axita Cotton Private Limited; the same are required to be updated/changed with various government/semi government authorities and various organizations. For more information about the licenses required in our business and the licenses and approvals taken by our company please refer chapter titled “GOVERNMENT APPROVALS” appearing on page no. 190 of this Prospectus.

**6. Our Company, Directors, Promoters and Group Companies/Entities are involved in certain tax related litigations, which if determined against us, can affect financial conditions of our company.**

Our Company, Directors, Promoters and Group Companies/Entities against whom income tax department has raised Demand/Notices, any adverse decision against our Company and or group Companies/Entities can affect our financial condition. The summary of outstanding litigations are given in the following table:

**Litigations against Company – Under Income Tax Act, 1961**

Sr. No.	Nature of Litigations	No. of Demand/ Notices	Total Amount involved (in ₹)
1.	Scrutiny for Assessment Year 2017-18 (F.Y. 2016-17)- Scrutiny (Computer Aided Scrutiny Selection)	1	Not Quantifiable
2.	Demands for Tax Deducted at Source	10	10,140.00

**Litigations against Directors and Promoters – Under Income Tax Act, 1961**

Sr. No.	Name of Directors and Promoters / Nature of Litigations	No. of Demand/ Notices	Total Amount involved (in ₹)
1.	Against Mr. Nitinbhai Govindbhai Patel – Income Tax Demand for Assessment Year 2017-18	1	79,940.00
2.	Against Mr. Amitkumar Govindbhai Patel – Income Tax Demand for Assessment Year 2017-18, 2016-17 and 2013-14	3	4,900.00
3.	Against Mr. Kushal Nitinbhai Patel – Income Tax Demand for Assessment Year 2014-15	1	3,130.00
4.	Against Mrs. Diptiben Hemantkumar Patel – Income Tax Demand for Assessment Year 2017-18	1	230.00

**Litigations against Group Entities/Companies – Under Income Tax Act, 1961**

Sr. No.	Name of Group Entities/Companies / Nature of Litigations	No. of Demand/ Notices	Total Amount involved (in ₹)
1.	Axita Exports Private Limited - Demands for Tax Deducted at Source	7	28,000.00
2.	Aditya Oil Industries - Demands for Tax Deducted at Source	7	17,480.00
3.	Aditya Oil Industries – Penalty under section 271(1)(c) of the Income Tax, Act, 1961 w.r.t. concealment of the particulars of income or furnished inaccurate particulars of such income in respect of Assessment Year 2014-15 (Financial Year 2013-14)	1	Not Quantifiable/Not available

**7. There may be potential conflict of interests between our Company and group entity/ company promoted by our Promoters cum Director.**

Our Company is engaged in the business of producing of cotton bales and cotton seeds. Our group entity/company namely Aditya Oil industries and Axita Exports Private Limited are engaged in the business of production and trading of cotton bales and cotton seeds. Further we have not executed any Non-Compete Agreement with our Group Entity/Company undertaking not to engage in businesses similar to that of our Company.

As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, our other Promoter Group Entities/Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour our Group Entities/Company in which our Promoters have interests. There can be no assurance that our Promoters/Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details please refer to chapter titled

“FINANCIAL INFORMATION OF OUR GROUP COMPANIES/ENTITIES” beginning on page no. 193 of this Prospectus.

**8. Certain qualifications have been noted by Peer Review Auditors in their report on the Restated Financial Statements for non provision for Gratuity Payment as required under the Payment of Gratuity Act 1972.**

Our Peer Review Auditors have provided certain qualifications in their report on the Restated Financial Statements relating to the financial statements for our Company is as follows:

*As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance.*

Our Company has not complied with accounting standards 15 and Section 4A of the Payment of Gratuity Act, 1972, in the past. Although no show cause notice in respect of the same has been received by the Company till date. Any penalty imposed for such non-compliance could affect our financial conditions to that extent. In relation to gratuity we have not received any notice/communication from the relevant authority, for the previous defaults till date. Further, our Company has not obtain any insurance for its liability towards the payment for gratuity as prescribed under Section 4A of the Payment of Gratuity Act, 1972 from prescribed insurer till date.

**9. The Company is dependent on few numbers of customers for sales from top 10 customers. Loss of any of this large customer may affect our revenues and profitability.**

As per our books of Accounts, our top ten customers contributes almost 92.29% and 87.85% of our total sales for the period ended June 30, 2018 and for the year ended March 31, 2018 respectively. Out of which almost 47.65% and 68.81% was contributed by our group company/entity – “Axita Exports Private Limited” and “Aditya Oil Industries” for the period ended June 30, 2018 and for the year ended March 31, 2018 respectively.

Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

**10. Any adverse movement in the price of the raw material may affect the price of the finished products and affect our profitability.**

Seed Cotton (“Kapas”) is the main raw material used to produce cotton bales and cotton seeds. The price of the Kapas is very volatile subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. Any adverse movement in the price of the Cotton will impact our cost of production which we may not be able to pass on to the customer which may affect our profitability of even lead to losses. Further any prolonged increase in kapas prices could have a material adverse effect on our Company over a period of time and affect all our strategies and future projections.

**11. Being a production company, we have low net profit margins as compared to industry standards.**

As company is engaged in the production of Cotton Bales and Cotton Seed, we have in the past reported net profit margins of 1.54%, 0.67%, 0.03%, 0.18%, -0.37% and 0.34% for the period ended on June 30, 2018 and financial year ending March 31; 2018, 2017, 2016, 2015 and 2014 respectively. Due to lower margins, we have lower EPS for our shareholders and may continue to do so. If the margins do not increase over time, we may continue to earn lower profits on higher revenues resulting in slower growth and affect overall financial condition. The management believes that lower margins are mainly due to non-compromise on quality and compliance which is beneficial in the long run. If we are unable to increase our margins, it may affect our growth prospects, profitability, operations and overall financial condition along with ability to absorb the fixed costs, if any, for the producers of new and innovative products.

**12. Excessive dependence on Oriental Bank of Commerce for obtaining financial facilities.**



Our entire fund based and non-fund based financial assistance has been sanctioned from Oriental Bank of Commerce (“OBC”). As on date of offer document, OBC has sanctioned CC limit of ₹100 Lakhs with additional peak CC Limit of ₹ 400.00 Lakh. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Promoter and Promoter Group member. Any default under such arrangement or non-renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials. Also we have provided the collateral security of our registered office and factory for the above loan taken from Oriental Bank of Commerce. For further details on the Credit Limits and other banking facilities, please see para titled “INDEBTEDNESS” on page no. 84 of the Prospectus. In case of any default under our loan agreements, the personal guarantees provided by our Promoter and Promoter Group Member may be invoked which could negatively impact on the reputation and networth of our Promoter, which could subsequently affect our result of operations and financial condition.

**13. All our production facilities are located at Kadi, Gujarat. Any disruption in the operations due to supply of power, fire outages or industrial accidents at the unit could hamper or delay our ability to continue production and servicing.**

Our production facilities is located at Kadi, Gujarat. There is a power cut off for 5 to 6 hours once in a week, generally on every Thursday. Any disruption in the operations due to supply of power, fire outages or industrial accidents at the unit could hamper or delay our ability to continue production and servicing. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

**14. Our Company has taken unsecured loans that may be recalled by the Directors cum Promoters and their relatives at any time.**

Our Company have currently availed unsecured loans which may be called by such lenders at any time. As at June 30, 2018, the unsecured loan amounting ₹ 499.43 Lakh were due to our Directors cum Promoters and their relatives. Moreover, as per books of accounts, as at October 31, 2018, company has already repaid unsecured loan of ₹ 316.06 Lakhs to such lenders. In the event that such lenders seeks further repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also there is no formal agreement with such lenders. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer “Annexure – B(B)” “STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS” - under chapter titled “RESTATED FINANCIAL INFORMATION” on page no. 145 of Prospectus.

**15. Our Company has not entered into any supply agreement for the major raw materials required for production of our products. Volatility in the prices and non-availability of these raw materials may have an adverse impact in our business.**

Our major raw material for production of cotton bales and cotton seed is seed cotton which we buy from suppliers; these raw materials are generally purchased from various farmers, APMC Markets and traders. We do not have any agreement with the suppliers of raw materials. Therefore, any significant increase in the prices of these raw materials due to any reasons, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. For further details of various raw materials required, see chapter titled “BUSINESS OVERVIEW” on page no. 75 of this Prospectus.

**16. Our revenues are significantly dependent upon sales of our main products that are cotton bales and cotton seed.**

Our core business is the production of cotton bales and cotton seed. Consequently, our income is significantly dependent on sales of the cotton bales and cotton seed and over the years, such sales have emerged as the major contributor to our revenue and business. Our continued reliance on sales of our products for a significant portion of our revenue exposes us to risks, including the potential reduction in the demand for such products in the future; increased competition from domestic and regional producers; cost-effective technology; fluctuations in the price and availability of the raw materials; changes in regulations and import duties; and the cyclical nature of our customers’ businesses. One or more such reasons may affect our revenues and income from sales of our products and thereby adversely affect our business, profitability, cash flows and results of operations.

**17. Our Company has allotted Equity Shares at a price lower than the Issue Price during last 12 (twelve) months preceding the date of this Prospectus.**

During last 12 (twelve) months preceding the date of this Prospectus, our Company has made Right Issue - Allotment of 2300000 Fully Paid up Equity Shares of ₹ 10/- each, in the Ratio of 23 Equity Shares for each 25 Equity Shares held on September 8, 2018, at ₹ 15/- per Equity Share, i.e. at price lower than the Issue Price, details of which are as follows;

Sr. No.	Name of Allottee	Category of Allottee	No. of Equity Shares Allotted*	Face Value per share (in ₹)	Issue Price per share (in ₹)	Reason
1.	Mr. Nitinbhai Govindbhai Patel	Promoter	900000	10	15	To enhance the Equity Base of the Company
2.	Mr. Kushal Nitinbhai Patel	Promoter	1291624	10	15	
3.	Mrs. Gitaben Nitinbhai Patel	Promoter Group	108376	10	15	
		<b>Total</b>	<b>2300000</b>			-

\*including equity shares allotted on renounced based.

The Equity Shares allotted to investors pursuant to this Issue is priced significantly higher due to various reasons. For justification of issue price, please refer the chapter titled “BASIS FOR ISSUE PRICE” beginning on page no. 64 of this Prospectus.

**18. Our revenues derived from sales in the export market are limited to few regions. Our growth strategy to expand into new geographic areas outside India and within India poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.**

Our operations have been geographically concentrated in the few of States of India. Our export market is limited to a few regions like Bangladesh, Vietnam and Pakistan. Our total export sales for the financial year 2017-18 amounted to approximately 13.45% of the total sales. Our business is therefore to a small extent dependent on the general economic condition and activity in the international market in which we operate along with the Government policies relating to plastic industry in all these regions, including central, state and local government policies in India.

We may expand geographically in the domestic and international market, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as competitors. For example, expanding our scope by marketing our products in the regulated markets may prove difficult due to the stringent norms and we may have to discontinue our activities in such areas. If we undertake operations in different geographical locations than those currently is; we may be affected by various factors, including but not limited to:

- Adjusting our products to the new geographic area;
- Ascertaining the creditworthiness of the buyer and maintain credit terms with the same;
- Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings;
- Attracting potential customers in a market in which we do not have significant experience; and
- Cost of hiring new employees and absorbing increased costs.

Any failure to manage all above risk may have a material adverse effect on our revenues, profits and financial condition.

**19. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Modernization and technology up gradation is essential to reduce costs and increase the output.**

Our production technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions. Although we believe that we have installed plant and machineries with the latest upgraded technology suitable for cotton yarn production, we shall further continue to strive to keep our technology updated. In case of a new found technology in the industry we may be required to implement new technology employed by us which will render our current technology obsolete. Further, the cost in upgrading our technology may be significant which could substantially affect our finances and operations. For further details, please refer to section titled “BUSINESS OVERVIEW” beginning on page no. 75 of this Prospectus.

**20. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled “OBJECTS OF THE ISSUE” on page no. 60 of this Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

**21. Our business depends on our production facility and the loss of or shutdown of operations of the production facility on any grounds could adversely affect our business or results of operations.**

Our production facilities are subject to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, social unrests, industrial accidents, our ability to respond to technological advances and emerging industry and safety standards and practices in the industries in which we operate and propose to operate on a cost-effective and timely basis and any other factors which may or may not be within our control and also we need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

**22. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Although, we have entered into contract for supply of contractual labour but there is no certainty that we will be able to get the requisite amount of manpower whenever required. Though we have not faced any labour problem in the past, we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

**23. Our operations may be adversely affected by strikes, work stoppages or increased wage demands by our employees or our contractors’ workforce or any other industrial unrest or dispute.**

While we have not experienced any industrial unrest or dispute in our production unit in the past, we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our work force in our unit unionizes in the future, collective bargaining efforts by labour unions may divert our management’s attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to “daily wage” workers. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the “daily wage” workers on our own rolls may adversely affect our business, results of operations and financial condition.

**24. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.**

Quality control is vital element for our sector. Any rapid change in our customers’ expectation on account of changes in technology or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition.

**25. In addition to normal remuneration, other benefits and reimbursement of expenses to our Promoters and Directors; they are interested to the extent of their shareholding and dividend entitlement thereon in our Company and for the transactions entered into between our Company and themselves as well as between our Company and our Group Companies/Entities.**

Our Promoters – Directors are interested in our Company to the extent of their shareholding and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters and Directors are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity which may be or may not be at Arms’ Length Price and in Ordinary Course of Business. If the transactions are executed not on Arms’ Length Price and in Ordinary Course of Business, our financial

position may get affected to that extent. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last five years, please refer to the “Annexure – T” - “RELATED PARTY TRANSACTIONS” under the Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on Page No. 121 of this Prospectus.

**26. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lakh)

Particulars	For the year ended/period on					
	June 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net Cash Generated from Operating Activities	80.12	349.73	(223.40)	(1.04)	383.08	(189.93)
Net Cash Generated From Investing Activities	5.14	(22.98)	16.87	34.94	(113.87)	(502.13)
Net Cash Generated from Financing Activities	(58.86)	(305.26)	203.26	(66.67)	(228.06)	692.37

**27. Our Object has not been appraised by any Bank or Financial Institution. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.**


We have estimated fund raising to the extent of ₹ 1051.20 Lakh to finance the ‘Objects of the Issue’ (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “OBJECT OF THE ISSUE”, please refer page no. 60 of this Prospectus.

**28. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**29. Our company is using logo / trademark which is name of one of our promoter Mr. Kushal Nitinbhai Patel and is are currently pending for registration. Ther is no formal agreement is exeuted for using of such logo/trademark between our company and him.**

At present we are using following logo/trademark, which is name of one of our Promoter Mr. Kushal Nitinbhai Patel. There is not formal agreement executed between our company and him. In future, he may disallow our company to use the said logo/trademark which is still pending for registration.

Sr. No.	Authority Granting Approval	Application No.	Applicable Laws/Rules	Nature of Approvals	Status
1.	Trade Mark Registry, Government of India	3917633 dated August 16, 2018	Trade Marks Act, 1999	Use of following Mark as Registered Trademark under Class 22 - Raw Cotton And Cotton Processed Products 	Accepted & Advertised in Journal No. : 1869-0 dated October 1, 2018

Our company’s business may be affected due to our inability to protect our future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody

by means of statutory protection. Any unauthorized usage by a third party of logo that is being used by us may create confusion in the market as to our identity and/or may have a material adverse effect on our reputation, goodwill, business prospects and results of operation too. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

**30. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.**

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

**31. Our raw material and finished products both are highly flammable commodity. Any adverse situation at our factory or godown can have an adverse effect on our operations and profitability.**

Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of machinery for material handling. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. We maintain standard fires and perils policies in respect of the buildings, plant and machinery, stocks of goods, raw material and office equipment in our production facilities.

During the F.Y. 2015-16, fire was occurred in our production plant, resulting into loss of operations for few days which affected our performance in the said financial year. Any such incidents, if occurred in future at our factory, godown or at any other place could adversely affect our business, financial condition, cash flows and results of operations.

**32. Any changes in regulations or applicable government incentives would adversely affect the Company's operations and growth prospects.**

The Central and the State Government has provided several incentives to the textile sector, from which our Company may benefit, including the TUFs interest, electricity and capital subsidies. These incentives could be modified or removed at any time, or new regulations could be introduced which may change the current regime applicable to the textile industry as a whole which will affect our Company's business, this could adversely affect our Company's operations and financial results. Our Company is also subject to various regulations and textile policies, primarily in India. Our Company's business and prospects could be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. Any such change could have a material adverse effect on the Company's operations and financial results.

**33. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.**

India is our primary market and we face competition in our business from local as well as nationwide producers and suppliers of Cotton Bales and Cotton Seed. There are a large number of players for production of same or similar products. Thus, competition in these markets is based primarily on demand and price. As a result, to remain competitive in our market, we must continuously strive to achieve operating efficiencies and secure our raw materials requirements. If we fail to do so, other producers and suppliers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations.

**34. Our Contingent Liability and Commitments could affect our financial position.**

As on June 30, 2018 we had Contingent Liability of ₹1160.00 Lakhs towards corporate guarantee to Aditya Oil Industries (group entity). We have given corporate guarantee in relation to certain debt facilities to our group entity which if claimed, may require us to pay the guaranteed amount. In the event(s) of default under any of these loan arrangements, if not cured or waived, could have a material adverse effect on us.

Details of Contingent Liabilities and commitments are as follows:-

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Contingent liabilities in respect of:						
Guarantees given on Behalf of the Partnership Firm (Aditya Oil Industries )	1,160.00	1,160.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,160.00</b>	<b>1,160.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

For further details on the same please refer “Annexure – W” under Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on page no. 121 of this Prospectus.

**35. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.**

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters is unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years built relations with various suppliers, customers and other persons who form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last five Financial Years. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future and omnibus approval is taken for related party transactions to be entered into FY 2018-19. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure T” – “RELATED PARTY TRANSACTIONS” under section titled “RESTATED FINANCIAL INFORMATION” on page no. 164 of this Prospectus and paragraph on Proposed Related Party Transactions with Group/Entities for FY 2018-19 as approved by the Shareholders/Audit Committee in the section “INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES” beginning on page no. 193 of this Prospectus.

**37. The capacity of the production plants is not fully utilized, consecutively, if there is any under-utilization of our proposed capacities in such case this could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

The capacities at our production unit have not been fully utilized, the details of which are as follows:

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Installed Capacity (In MT) <sup>1</sup>	87600.00	87600.00	87600.00
Actual Capacity Utilization of Processing of Seed Cotton (In MT) <sup>2</sup>	12530.36	10349.39	17749.90
% of Utilization	14.30%	11.80%	20.30%

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
Raw Cotton Processing Capacity Utilization (In MT) <sup>2</sup>	12530.36	10349.39 Mt	17749.90



Particulars	F.Y. 2015-16		F.Y. 2016-17		F.Y. 2017-18	
	Cotton Bales	Cotton Seed	Cotton Bales	Cotton Seed	Cotton Bales	Cotton Seed
<b>Production of Finished Products (In MT)</b>	4479.59	7604.57	3684.78	6299.65	6392.68	10882.06
<b>% of Production</b>	35.7%	61%	35.60%	60.86%	36.01%	61.30%

**Notes:**

1. We have total 48 Machines installed at our Factory Location having capacity of ginning 5 MT of Seed Cotton or Raw Cotton per day by each machine.
2. Seed Cotton are processed in our ginning and pressing unit, and output of seed cotton is Raw Cotton, which is further processed and as a result we get our finished output products i.e. "Cotton Bales" and "Cotton Seed".

We may decide to increase our product portfolio and to enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and / or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

**38. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.**

Post this Issue, our Promoter and Promoter Group will collectively own 73.26% of our post issue equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**39. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.**

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Issue, refer chapter titled "OBJECTS OF THE ISSUE" on page no. 60 of this Prospectus.

**40. Our inability to manage growth could disrupt our business and reduce profitability.**

A principal component of our strategy is to continuously grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**41. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

**42. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**43. Our Group Entity have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.**

Shreenathji Enterprise (Sole Proprietorship) has incurred loss during the financial year 2015-16, details of which is given below;

(₹ in Lakh)				
Sr. No.	Name of Group Company/Entity	F.Y 2017-18	F.Y 2016-17	F.Y. 2015-16
1.	Shreenathji Enterprise (Sole Proprietorship)	6.82	17.73	(19.34)
2.	Suchi Developers (Partnerhisip Firm)	(3.13)	(2.98)	(3.10)

Further, few of our Group Company/entity have not started commercial activities. Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled "FINANCIAL INFORMATION OF OUR GROUP COMPANIES/ENTITIES" beginning on page no. 193 of this Prospectus.

**44. Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.**

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair.

**45. Our business is dependent on the adequate and uninterrupted supply of electrical power at a reasonable cost.**

Failure on account of unavailability of electrical power may restrict us in utilizing our full capacity and, hence, may impact our business and results of operation. Adequate and cost effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. Currently, we source of our power requirements from the State Electricity Board. There can be no assurance that electricity supplied by them will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted power supply in the future at a reasonable cost. Further, if the per unit cost of electricity is increased by the state electricity boards, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. Further we face weekly power cut at our production plant in Borisana, Kadi on Thursday usually for 5-6 hours which restrict us in utilizing our full capacity and, hence impact our business and results of operation.

**46. Activities involving our production process can be dangerous and any industrial accident can cause injury to people or property in certain circumstances which could have an adverse effect on our production schedules, costs, revenue and ability to meet customer demand.**

Our business involves production processes that can be potentially dangerous to our employees. An accident may result in loss of life, destruction of property or equipment, production or delivery delays, or may lead to suspension of our operations. While we believe we maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

**47. Our inability to effectively implement our business and growth strategy may have an adverse effect on our operation and growth.**

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

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

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

**49. Dependence upon transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.**

We depend on transportation services to deliver our products from the raw material site to our factory and from our factory to the site of the customer. We rely on third parties transportation service providers to provide such services. Any disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers. There is no assurance that such disruptions will not occur in the future. Any such disruptions could materially adversely affect our business, financial condition and results of operations.

**50. Our Company has not carried out any independent appraisal of our working capital requirements.**

Therefore, if our estimation is not accurate or the assumptions we have taken prove to be not correct, we may be required to raise additional debt on terms that may not be totally favorable to us. Our working capital requirements have been assessed based on the management's estimates and the same have not been independently appraised or evaluated by any bank or financial institution. Further, the estimates of our working capital requirement are totally based on the experience of our management and Promoters. We cannot assure that these estimates may be accurate. If these estimates prove to be wrong, we may be required to raise additional debt, on terms that may not be totally favorable to our Company, which may in turn adversely affect our profitability.

**51. Certain data mentioned in this Prospectus has not been independently verified.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**52. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.**

Our Company is engaged in business of production of cotton bales and cotton yarn which attracts tax liability such as Goods and Service Tax and professional tax as per the applicable provisions of Law. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**53. The requirements of being a public listed company may strain our resources and impose additional requirements.**

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

## **EXTERNAL RISK FACTORS**

**1. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**2. Any changes in the regulatory framework could adversely affect our operations and growth prospects**

Our Company is subject to various regulations and policies. For details see section titled "KEY INDUSTRY REGULATIONS" beginning on page no. 88 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**3. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**4. Our 100% Revenue is not derived from business in India and a decrease in economic growth in India or could cause our business to suffer.**

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian and exporting countries economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**6. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Beeline Broking Limited as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**7. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Further, with the Introduction of the Goods and Services Act, tax rates and its implication may have material impact on raw materials or on our Products. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

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

The Issue Price of our Equity Shares is ₹ 60/-. This price is based on numerous factors (For further information, please refer chapter titled "BASIS FOR ISSUE PRICE" beginning on page no. 64 of this Draft Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following;

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

**9. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**10. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE Limited in a timely manner, or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay

in listing the Equity Shares on the SME Platform of BSE Limited. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Prospectus:

Particulars	Details
Equity Shares offered	1752000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- each aggregating to ₹ 1051.20 Lakh
Of which:	
Reserved for Market Makers	92000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- each aggregating to ₹ 55.20 Lakh
Net Issue to the Public*	1660000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- each aggregating to ₹ 996.00 Lakh
Of which	
Retail Portion	830000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- each aggregating to ₹ 498.00 Lakh
Non Retail Portion	830000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- each aggregating to ₹ 498.00 Lakh
Equity Shares outstanding prior to the Issue	4800000 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	6552000 Equity Shares of ₹ 10/- each
Use of Proceeds	For further details please refer chapter titled “OBJECTS OF THE ISSUE” beginning on page no. 60 of this Prospectus for information on use of Issue Proceeds.

\* Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 32(4) of the SEBI (ICDR) Regulations, 2018 shall be made as follows;

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - i) individual applicants other than retail individual investors; and
  - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent. of the Net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

#### NOTES

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on October 16, 2018, and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EoGM held on October 18, 2018.



**SUMMARY OF OUR FINANCIAL INFORMATION**

**AXITA COTTON LIMITED  
RESTATED BALANCE SHEET**

(₹ In Lakh)

Particulars		As at June 30, 2018	As at March 31,				
			2018	2017	2016	2015	2014
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>						
1.	Shareholders' Funds						
(a)	Share Capital	250.00	250.00	250.00	250.00	250.00	250.00
(b)	Reserves & Surplus	105.54	72.94	(7.49)	(10.20)	(22.66)	5.85
		<b>355.54</b>	<b>322.94</b>	<b>242.51</b>	<b>239.80</b>	<b>227.34</b>	<b>255.85</b>
2.	Non-Current Liabilities						
(a)	Long Term Borrowings	578.87	590.86	709.46	393.97	346.72	465.78
(b)	Deferred Tax Liabilities (Net)	(2.25)	(1.59)	(1.59)	(0.45)	2.01	4.60
(c)	Long Term Provisions	-	-	-	-	-	-
		<b>576.61</b>	<b>589.26</b>	<b>707.87</b>	<b>393.52</b>	<b>348.73</b>	<b>470.38</b>
3.	Current Liabilities						
(a)	Short Term Borrowings	1,020.66	1,043.34	719.93	664.57	603.12	547.70
(b)	Trade Payables						
	1.Total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises.	457.47	22.53	2.56	5.59	72.25	1.28
(c)	Other Current Liabilities	94.38	90.93	62.88	67.31	62.09	40.48
(d)	Short Term Provisions	51.36	160.49	14.76	16.62	17.26	8.82
		<b>1,623.87</b>	<b>1,317.29</b>	<b>800.13</b>	<b>754.10</b>	<b>754.71</b>	<b>598.29</b>
	<b>Total</b>	<b>2,556.03</b>	<b>2,229.49</b>	<b>1,750.51</b>	<b>1,387.41</b>	<b>1,330.79</b>	<b>1,324.52</b>
<b>B)</b>	<b>ASSETS</b>						
1.	Non-Current Assets						
(a)	Fixed Assets						
	i) Tangible Assets	375.10	385.71	401.04	453.89	510.83	458.89
	ii) Capital Work in Progress	-	-	-	-	-	-
		<b>375.10</b>	<b>385.71</b>	<b>401.04</b>	<b>453.89</b>	<b>510.83</b>	<b>458.89</b>
(b)	Non-Current Investment	-	-	-	-	-	-
(c)	Deferred Tax Assets (Net)	-	-	-	-	-	-

(d)	Long Term Loans and Advances	-	-	-	-	-	-
(e)	Other Non-Current Assets	32.84	33.50	32.99	35.16	33.56	30.74
2.	Current Assets						
(a)	Inventories	354.16	630.42	783.19	554.62	376.67	285.79
(b)	Trade Receivables	1,682.22	1,063.72	514.27	317.60	353.00	454.31
(c)	Cash and Cash equivalents	53.29	26.89	5.40	8.67	41.45	0.31
(d)	Short-Term Loans and Advances	-	-	-	-	-	59.74
(e)	Other Current Assets	58.42	89.25	13.61	17.47	15.28	34.75
		<b>2,148.09</b>	<b>1,810.28</b>	<b>1,316.47</b>	<b>898.37</b>	<b>786.40</b>	<b>834.89</b>
	<b>Total</b>	<b>2,556.03</b>	<b>2,229.49</b>	<b>1,750.51</b>	<b>1,387.41</b>	<b>1,330.79</b>	<b>1,324.53</b>

**AXITA COTTON LIMITED**  
**RESTATED PROFIT AND LOSS STATEMENT**

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,					
		2018	2017	2016	2015	2014	
1	Revenue From Operation (Gross)	2,116.66	12,345.78	9,023.06	6,808.83	7,691.20	1,736.08
	Less: Excise Duty	-	-	-	-	-	-
	Revenue From Operation (Net)	2,116.66	12,345.78	9,023.06	6,808.83	7,691.20	1,736.08
2	Other Income	4.93	46.58	129.18	67.12	14.15	0.02
3	<b>Total Revenue (1+2)</b>	<b>2,121.59</b>	<b>12,392.36</b>	<b>9,152.24</b>	<b>6,875.95</b>	<b>7,705.35</b>	<b>1,736.10</b>
4	Expenditure						
(a)	Cost of Goods Consumed	1,057.43	8,837.17	5,502.86	5,637.39	6,518.04	1,594.59
(b)	Purchase of Traded Goods	621.43	2,720.39	3,436.49	1,010.65	1,017.92	272.69
(c)	Changes in Inventories of finished goods, work in progress and stock -in-trade	276.25	152.77	(228.56)	(177.95)	(161.44)	(215.23)
(d)	Employee Benefit Expenses	25.30	96.39	73.95	32.11	21.47	7.48
(e)	Finance Cost	46.99	187.82	116.88	116.54	113.82	26.38
(f)	Depreciation and Amortization Expenses	10.61	45.49	54.05	65.95	73.17	12.49
(g)	Other Expenses	34.08	243.09	195.01	174.13	153.47	27.24
5	<b>Total Expenditure 4(a) to 4(g)</b>	<b>2,072.11</b>	<b>12,283.11</b>	<b>9,150.67</b>	<b>6,858.83</b>	<b>7,736.45</b>	<b>1,725.65</b>
6	Profit/(Loss) Before Extra-Ordinary Items and Tax	49.49	109.24	1.57	17.12	(31.10)	10.45
7	Extra-Ordinary Items	-	-	-	7.12	-	-
8	<b>Profit/(Loss) Before Tax (3-5)</b>	<b>49.49</b>	<b>109.24</b>	<b>1.57</b>	<b>9.99</b>	<b>(31.10)</b>	<b>10.45</b>
9	Tax Expense:						
(a)	Tax Expense for Current Year	17.55	27.12	0.30	1.90	-	1.99
(b)	MAT Credit	-	-	(0.30)	(1.90)	-	(1.99)
(c)	Short/(Excess) Provision of Earlier Year	-	-	-	-	-	-
(d)	Deferred Tax	(0.66)	(0.01)	(1.13)	(2.46)	(2.58)	4.60
	Net Current Tax 9(a) to 9 (d )	<b>16.89</b>	<b>27.11</b>	<b>(1.13)</b>	<b>(2.46)</b>	<b>(2.58)</b>	<b>4.60</b>
10	<b>Profit/(Loss) for the Year (6-7)</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>(28.51)</b>	<b>5.85</b>

**AXITA COTTON LIMITED**  
**RESTATED CASH FLOW STATEMENT**

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
<b>A) Cash Flow From Operating Activities :</b>						
Net Profit before tax	49.49	109.24	1.57	9.99	(31.10)	10.45
Adjustment for :						
Depreciation	10.61	45.49	54.05	65.95	73.17	12.49
Interest Paid	46.87	186.66	112.23	113.92	109.00	23.41
Interest on Investments received	-	(2.53)	(3.28)	(6.44)	(14.05)	-
Interest on subsidy	(4.48)	(5.15)	(12.63)	(32.34)	-	-
MAT credit utilized	-	(1.70)	-	-	-	-
Insurance Claim Received	-	-	-	(6.77)	-	-
Loss on Insurance Claim	-	-	-	7.12	-	-
Operating profit before working capital changes	102.49	332.01	151.94	151.45	137.03	46.35
<b>Changes in Working Capital</b>						
(Increase)/Decrease in Short Term Deposits	-	-	-	-	-	-
(Increase)/Decrease in Inventories	276.25	152.77	(228.56)	(177.95)	(90.88)	(285.79)
(Increase)/Decrease in Trade Receivables	(618.50)	(549.45)	(196.67)	35.40	101.31	(454.31)
(Increase)/Decrease in Short Term Loans & Advances	-	-	-	-	59.74	(59.74)
(Increase)/Decrease in Other Current Assets	30.83	(75.64)	3.86	(2.19)	19.47	(34.75)
Increase/(Decrease) in Short Term Borrowings	(22.68)	323.41	55.36	61.45	55.41	547.70
Increase/(Decrease) in Trade Payables	434.94	19.97	(3.03)	(66.66)	70.97	1.28
Increase/(Decrease) in Other Current Liabilities	3.45	28.05	(4.42)	5.22	21.60	40.48
Increase/(Decrease) in Short Term Provisions	(109.13)	145.73	(1.86)	(0.64)	8.44	8.82
Cash generated from operations	97.66	376.85	(223.40)	6.08	383.08	(189.93)
Less:- Income Taxes paid	17.55	27.12	-	-	-	-
Cash Flow Before Extraordinary Item	80.12	349.73	(223.40)	6.08	383.08	(189.93)
Any Extra- ordinary Items	-	-	-	(7.12)	-	-
<b>Net cash flow from operating activities</b>	<b>80.12</b>	<b>349.73</b>	<b>(223.40)</b>	<b>(1.04)</b>	<b>383.08</b>	<b>(189.93)</b>
<b>B) Cash Flow From Investing Activities :</b>						
Interest Received	-	2.53	3.28	6.44	14.05	-
Interest Received on subsidy	4.48	5.15	12.63	32.34	-	-
Purchase of Fixed Assets	-	(30.15)	(1.20)	(9.01)	(125.11)	(471.39)

Insurance Claim Received	-	-	-	6.77	-	-
(Increase)/Decrease in Long Term Loans and Advances	-	-	-	-	-	-
(Increase)/Decrease in Other Non-Current Assets	0.66	(0.51)	2.16	(1.60)	(2.82)	(30.74)
<b>Net cash flow from investing activities</b>	<b>5.14</b>	<b>(22.98)</b>	<b>16.87</b>	<b>34.94</b>	<b>(113.87)</b>	<b>(502.13)</b>
<b>C) Cash Flow From Financing Activities :</b>						
Proceeds from Issue of Share Capital	-	-	-	-	-	250.00
Increase/(Decrease) in Long Term Borrowings	(11.99)	(118.60)	315.49	47.25	(119.06)	465.78
Interest Paid	(46.87)	(186.66)	(112.23)	(113.92)	(109.00)	(23.41)
<b>Net cash flow from financing activities</b>	<b>(58.86)</b>	<b>(305.26)</b>	<b>203.26</b>	<b>(66.67)</b>	<b>(228.06)</b>	<b>692.37</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>26.40</b>	<b>21.49</b>	<b>(3.27)</b>	<b>(32.77)</b>	<b>41.14</b>	<b>0.31</b>
<b>Cash equivalents at the beginning of the year</b>	<b>26.89</b>	<b>5.40</b>	<b>8.67</b>	<b>41.45</b>	<b>0.31</b>	<b>-</b>
<b>Cash equivalents at the end of the year</b>	<b>53.29</b>	<b>26.89</b>	<b>5.40</b>	<b>8.68</b>	<b>41.45</b>	<b>0.31</b>

**Notes:-**

Component of Cash and Cash equivalents	As on April 1, 2018	As on April 1, 2017	As on April 1, 2016	As on April 1, 2015	As on April 1, 2014	As on April 1, 2013
Cash on hand	26.80	0.94	8.01	41.05	0.18	-
Balance With banks	0.09	4.46	0.66	0.40	0.13	-
<b>Total</b>	<b>26.89</b>	<b>5.40</b>	<b>8.67</b>	<b>41.45</b>	<b>0.31</b>	<b>-</b>

## SECTION V – GENERAL INFORMATION

Our Company was incorporated as “Axita Cotton Private Limited” at Ahmedabad on July 16, 2013, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Axita Cotton Limited” and fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad.

For details of change in name and registered office of our Company, please refer to section titled “HISTORY AND CORPORATE MATTERS” beginning on page no. 98 of this Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details			
Registered Office	Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat; <b>Telephone No.:</b> +91 63587 47514; <b>Web site:</b> www.axitacotton.com; <b>E-Mail:</b> cs@axitacotton.com; <b>Contact Person:</b> Mr. Deepakkumar Chaubisa			
Date of Incorporation	July 16, 2013			
Company Identification Number	U17200GJ2013PLC076059			
Company Category	Company limited by Shares			
Registrar of Company	Ahmedabad			
Address of the RoC	ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013; <b>E Mail:</b> roc.ahmedabad@mca.gov.in <b>Tel No.:</b> +91 79 – 2743 7597; <b>Fax No.:</b> +91 79 – 2743 8371			
Company Secretary and Compliance Officer	<b>Mr. Deepakkumar Chaubisa</b> <b>C/o. Axita Cotton Limited</b> Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat; <b>Telephone No.:</b> +91 63587 47514; <b>E-Mail:</b> cs@axitacotton.com; <b>Web site:</b> www.axitacotton.com			
Designated Stock Exchange	BSE Limited (SME Platform) <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra			
Issue Programme	<b>Issue Opens On:</b>	<b>THURSDAY, DECEMBER 27, 2018</b>	<b>Issue Closes On:</b>	<b>WEDNESDAY, JANUARY 2, 2019</b>

#### Note:

Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Nitinbhai Govindbhai Patel	Chairman and Managing Director	06626646
2.	Mr. Kushal Nitinbhai Patel	Managing Director	06626639
3.	Mr. Amitkumar Govindbhai Patel	Whole Time Director	06626585
4.	Mrs. Diptiben Hemantkumar Patel	Independent Director	00111081
5.	Mr. Rakesh Mahendrakumar Patel	Independent Director	08251021
6.	Mr. Dhruven Shaileshbhai Patel	Independent Director	08245083

For further details pertaining to the education qualification and experience of our Directors, please refer the chapter titled “OUR MANAGEMENT” beginning on page no. 102 of this Prospectus.

#### DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>BEELINE BROKING LIMITED</b> <b>SEBI Registration Number:</b> INM000012546 <b>Address:</b> Office No. 1 To 3, Vishwa Complex, First Floor Opp. Jain Derasar, Navrangpura Ahmedabad - 380009 <b>Telephone Number:</b> +91 79 6817 4040 <b>Email Id:</b> mb@beelinebroking.com <b>Investors Grievance Id:</b> ig@beelinebroking.com <b>Website:</b> www.beelinebroking.com <b>Contact Person:</b> Mr. Vanesh Panchal <b>CIN:</b> U51900GJ2014PLC080598	<b>LINK INTIME INDIA PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INR000004058 <b>Address:</b> C-101, 1 <sup>st</sup> Floor, 247 Park, LalBahadurShastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra <b>Tel. No.:</b> +91 22 4918 6200; <b>Fax No.:</b> +91 22 4918 6195 <b>Email Id:</b> axita.ipo@linkintime.co.in <b>Investors Grievance Id:</b> axita.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in <b>Contact Person:</b> Ms. Shanti Goapalkrishnan <b>CIN:</b> U67190MH1999PTC118368
STATUTORY AUDITOR OF THE COMPANY	PEER REVIEW AUDITOR*
<b>M/s. Manish Dave &amp; Co.</b> <b>Address:</b> 5, Mahisagar Society, Near Tejaswar Mahadev, Bhaupura, Kadi Dist., Mehsana, 382 715, Gujarat. <b>Mobile No.:</b> 9824379193 <b>Email:</b> camanishdave@gmail.com <b>Contact Person:</b> CA Manish Dave <b>Membership Number:</b> 105359 <b>Firm Registration Number:</b> 0118396W	<b>M/s. Purushottam Khandelwal &amp; Co.</b> <b>Address:</b> 216, Madhupura Vyapar Bhavan, Nr. Ganj Bazar, Madhupura, Shahibaugh, Ahmedabad – 380 004. <b>Tel No.:</b> +91 79 2216 4423 <b>Email:</b> casmahirao@gmail.com <b>Contact Person:</b> CA Mahendra Singh Rao <b>Firm Registration Number:</b> 123825W <b>Membership Number:</b> 154239
BANKERS TO THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<b>Oriental Bank of Commerce</b> <b>Address:</b> Shop No. 2 to 9, Parmanand Plaza, Near Fire Station, Kadi, Thol Road, Kadi, Dist. Mehsana – 382 715 <b>Email Id:</b> bm2245obc.co.in <b>Website:</b> https://www.obcindia.co.in <b>Contact Person:</b> Mr. Amit Parashar <b>Designation:</b> Chief Manager	<b>Mr. Shaileshkumar Ashokbhai Ghevariya</b> <b>Address:</b> 202, Vaibhav Chamber, Near Sadhna Society, Minibazar, Surat. <b>Email:</b> ghevariya21@gmail.com <b>Mobile Number:</b> +91 88666 68121 <b>Bar Council Number:</b> G/3212/2015 <b>Contact Person:</b> Mr. Shaileshkumar Ashokbhai Ghevariya
BANKERS TO THE ISSUE AND REFUND BANKER	
<b>IndusInd Bank Limited</b> <b>Address:</b> IndusInd Bank, PNA House Office, 4 <sup>th</sup> Floor, Plot No. 57 & 57/1, Street No. 17, MIDC Andheri East, Mumbai – 400 093 <b>Office No.:</b> (022) 6106 9243/44/45; <b>Fax No.:</b> (022) 6106 9315; <b>Email:</b> sunil.fadtari@indusind.com; <b>Website:</b> www.indusind.com; <b>Contact Person:</b> Mr. Sunil Fadtari <b>SEBI Registration Number:</b> INBI00000002	

\* Holds valid Peer Review Certificate Number 011129 dated July 30, 2018 issued by Peer Review Board of the Institute of Chartered Accountants of India.

#### SELF-CERTIFIED SYNDICATE BANKS

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

#### BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.



## **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited., as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Beeline Broking Limited is the Lead Manager to the issue, all the responsibility of the issue will be managed by them.

## **CREDIT RATING**

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## **IPO GRADING**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

## **FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

A soft copy of Draft Prospectus is being submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

## **CHANGES IN AUDITORS**

There has been no change in the Auditors of the company during the last three years.

## **TRUSTEES**

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## **APPRAISAL AND MONITORING AGENCY**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

## **UNDERWRITING AGREEMENT**

This Issue is 100% Underwritten. The Underwriting agreement has been entered on October 25, 2018. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain

conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
<b>BEELINE BROKING LIMITED</b> <b>SEBI Registration Number:</b> INM000012546 <b>Address:</b> Office No. 1 To 3, Vishwa Complex, First Floor Opp. Jain Derasar, Navrangpura Ahmedabad - 380009 <b>Tel Number:</b> +91 79 6817 4040 <b>Email Id:</b> mb@beelinebroking.com <b>Investors Grievance Id:</b> ig@beelinebroking.com <b>Website:</b> www.beelinebroking.com <b>Contact Person:</b> Mr. Vanesh Panchal <b>CIN:</b> U51900GJ2014PLC080598	1752000	1051.20	100.00%

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager have entered into an agreement dated October 25, 2018 with the following Market Maker to fulfil the obligations of Market Making:

##### **BEELINE BROKING LIMITED**

**CIN:** U51900GJ2014PLC080598; **SEBI Registration No.:** INZ000000638

**Address:** Office No. 1 To 3, Vishwa Complex, First Floor Opp. Jain Derasar, Navrangpura Ahmedabad - 380009.

**Contact Person:** Mr. Vanesh Panchal; **Tel Number:** +91 – 079 – 6817 4040; **Website:** www.beelinebroking.com

**E-mail:** mb@beelinebroking.com; **Investor Grievance Id:** ig@beelinebroking.com;

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the BSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 92000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 92000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.

- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) Risk containment measures and monitoring for Market Makers: SME Platform of BSE Limited will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 12) Punitive Action in case of default by Market Makers: SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 13) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- 14) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore To ₹ 50 Crore	20%	19%
₹ 50 Crore To ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE Limited from time to time.

## SECTION VI – CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Prospectus, is set forth below:

(₹ in Lakh except per share amount)

Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at issue price
1.	<b>AUTHORIZED SHARE CAPITAL</b> 7000000 Equity Shares of face value of ₹10/- each	700.00	-
2.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b> 4800000 Equity Shares of face value of ₹ 10/- each	480.00	-
3.	<b>PRESENT ISSUE IN TERMS OF THE PROSPECTUS</b>		
	Issue of 1752000 Equity Shares of ₹ 10/- each at a price of ₹ 60/- per Equity Share.	175.20	1051.20
	<b>Which comprises</b>		
	92000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- per Equity Share reserved as Market Maker Portion	9.20	55.20
	Net Issue to Public of 1660000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- per Equity Share to the Public	166.00	996.00
	<b>Net Issue* to Public consists of</b>		
	830000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- per Equity Share will be available for allocation for Investors investing amount up to ₹ 2.00 Lakh	83.00	498.00
	830000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 60/- per Equity Share will be available for allocation for Investors investing amount above ₹ 2.00 Lakh (Non Retail Portion)	83.00	498.00
4.	<b>PAID UP EQUITY CAPITAL AFTER THE ISSUE</b> 6552000 Equity Shares of ₹ 10 each	655.20	-
5.	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	115.00	
	After the Issue	991.00	

\* For detailed information on the Net Issue and its allocation various categories, please refer chapter titled “THE ISSUE” on page no. 30 of this Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on October 16, 2018, and by the shareholders of our Company vide a special resolution passed at the EoGM held on October 18, 2018.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in the Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EoGM
1.	On incorporation	10000	1.00	N.A.	N.A.
2.	Increased in authorized capital from ₹ 1.00 Lakh to ₹ 200.00 Lakh	2000000	200.00	November 26, 2013	EoGM

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EoGM
3.	Increased in authorized capital from ₹ 200.00 Lakh to ₹ 250.00 Lakh	2500000	250.00	March 25, 2014	EoGM
4.	Increased in authorized capital from ₹ 250.00 Lakh to ₹ 700.00 Lakh	7000000	700.00	September 8, 2018	EoGM

## 2. History of Paid-up Share Capital:

Our existing Paid-up Share Capital has been subscribed and allotted in the manner set forth below:

Date of allotment	Nature of allotment	Number of equity shares Allotted	Face value (In ₹)	Issue price (In ₹)	Nature of consideration (Cash, other than Cash, Bonus)	Cumulative Number of Equity Shares	Cumulative Paid up share Capital (In ₹)	Cumulative Share Premium (In ₹)
July 16, 2013 (On Incorporation)	Subscription to Memorandum of Association <sup>(1)</sup>	10000	10	10	Cash	10000	1,00,000	-
March 25, 2014	Preferential Allotment <sup>(2)</sup>	2490000	10	10	Cash	2500000	2,50,00,000	-
September 25, 2018	Right Issue in the Ratio of 23 Equity Shares for each 25 Equity Shares held <sup>(3)</sup>	2300000	10	15	Cash	4800000	4,80,00,000	1,15,00,000

<sup>(1)</sup> The details of allotment of Fully Paid up Equity Shares made to the subscribers to the Memorandum of Associations, at par, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Mr. Nitinbhai Govindbhai Patel	3000	10	10
2.	Mr. Amitkumar Govindbhai Patel	2000	10	10
3.	Mr. Kushal Nitinbhai Patel	2000	10	10
4.	Mrs. Gitaben Nitinbhai Patel	1000	10	10
5.	Mrs. Axita Kushalbhai Patel	1000	10	10
6.	Mrs. Gitaben Amitkumar Patel	1000	10	10
<b>Total</b>		<b>10000</b>	<b>10</b>	<b>10</b>

<sup>(2)</sup> The details of Preferential Allotment of 2490000 Fully Paid up Equity Shares of ₹ 10/- each made on March 25, 2014, at par, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Mrs. Axitaben Kushalbhai Patel	59000	10	10
2.	Mr. Harsh Bharatbhai Patel	49000	10	10
3.	Mr. Malay Bharatbhai Thakkar	36000	10	10
4.	Mr. Viral Narendrakumar Nasaravadi	22800	10	10
5.	Mr. Parth Mahendrabhai Patel	27000	10	10

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
6.	Ms. Alakaben Nalinbhai Patel	25000	10	10
7.	Amitbhai Govindbhai Patel HUF	20000	10	10
8.	Mr. Amitkumar Govindbhai Patel	468000	10	10
9.	Mr. Analben Bhartkumar Patel	10000	10	10
10.	Mr. Bharatbhai Govindbhai Patel	20000	10	10
11.	Mr. Bhupendrabhai Jayantilal Patel	20000	10	10
12.	Mr. Chandrakantbhai Govindbhai Patel	15000	10	10
13.	Mr. Devangbhai Natavarlal Patel	20000	10	10
14.	Ms. Dharaben Dharmeshkumar Patel	15000	10	10
15.	Ms. Dipikaben Viralkumar Patel	13800	10	10
16.	Mrs. Gitaben Amitbhai Patel	56500	10	10
17.	Mrs. Gitaben Nitinbhai Patel	19000	10	10
18.	Ms. Hinaben Bhupendrabhai Patel	20000	10	10
19.	Ms. Kailasben Narendrakumar Patel	28400	10	10
20.	Mr. Kishan Bhupendrabhai Patel	20000	10	10
21.	Mr. Kushal Nitinbhai Patel	498000	10	10
22.	Ms. Lilavatiben Chandrakant Patel	15000	10	10
23.	Ms. Manaliben Nalinbhai Patel	20000	10	10
24.	Ms. Manjulaben Vanarajbhai Patel	20000	10	10
25.	Mr. Nalinbhai Vanarajbhai Patel	15000	10	10
26.	Ms. Naliniben Nayankumar Patel	20000	10	10
27.	Mr. Narendrakumar Chimanlal Patel	15000	10	10
28.	Mr. Nayankumar Natavarlal Patel	20000	10	10
29.	Nitinbhai Govindbhai Patel HUF	20000	10	10
30.	Mr. Nitinbhai Govindbhai Patel	767500	10	10
31.	Ms. Prathavi Devanagbhai Patel	20000	10	10
32.	Mrs. Savitaben Govindbhai Patel	20000	10	10
33.	Mr. Vanarajbhai Govindbhai Patel	25000	10	10
34.	Ms. Vidhyaben Natavarlal Patel	20000	10	10
35.	Ms. Pina Bharatbhai Patel	10000	10	10
36.	Mr. Utej Kacharalal Patel	20000	10	10
<b>Total</b>		<b>2490000</b>	<b>10</b>	<b>10</b>

(3) The details of Right Issue - Allotment of 2300000 Fully Paid up Equity Shares of ₹ 10/- each, in the Ratio of 23 Equity Shares for each 25 Equity Shares held on September 8, 2018, made on September 25, 2018, at ₹ 15/- per Equity Share, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Mr. Nitinbhai Govindbhai Patel	900000	10	15
2.	Mr. Kushal Nitinbhai Patel	1291624	10	15
3.	Mrs. Gitaben Nitinbhai Patel	108376	10	15
<b>Total</b>		<b>2300000</b>	<b>10</b>	<b>15</b>

- Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation.
- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.



6. Our Company has made Right Issue - Allotment of 2300000 Fully Paid up Equity Shares of ₹ 10/- each, in the Ratio of 23 Equity Shares for each 25 Equity Shares held on September 8, 2018, at ₹ 15/- per Equity Share, i.e. at price lower than the Issue Price during past one year from the date of the Prospectus, details of which are as follows;

Sr. No.	Name of Allottee	Category of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)	Reason for Issue	Reason for Issue Price
1.	Mr. Nitinbhai Govindbhai Patel	Promoter	900000	10	15	To enhance the Equity Base of the Company	Issued at a Book value as at March 31, 2018
2.	Mr. Kushal Nitinbhai Patel	Promoter	1291624	10	15		
3.	Mrs. Gitaben Nitinbhai Patel	Promoter Group	108376	10	15		
<b>Total</b>			<b>2300000</b>				

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

#### 8. Our shareholding pattern:

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

#### Declaration

Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non Promoter-Non Public
1.	Whether the Company has issued any partly paid up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	NA	NA
7.	Whether company has equity shares with differential voting rights?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked in prior to listing of shares on SME Platform of BSE Limited.

(A). Table I - Summary Statement holding of specified securities

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class eg: X	Class eg: y	Total			Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(A)	Promoter & Promoter Group	7	4800000	0	0	4800000	100.00	4800000	0	4800000	100.00	0	100.00	0	0.00	0	0	4800000
(B)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	N.A.	0	0	0	0	0	0	0	0.00	N.A.	N.A.	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	N.A.	N.A.	0
	<b>Total</b>	<b>7</b>	<b>4800000</b>	<b>0</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>4800000</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>4800000</b>
<b>Note:</b>																		
* All Pre-IPO Equity Shares of our Company will be locked prior to listing of shares on SME Platform of BSE Limited.																		

**(B). Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights					Total as a % of (A+B+C)	No.	As a % of total shares held (b)	No.		As a % of total shares held (b)
								Class eg: X	Class eg: y	Total								
(1)	<b>Indian</b>																	
(a)	Individuals/Hindu undivided Family	7	4800000	0	0	4800000	100.00	4800000	0	4800000	100.00	0	100.00	0	0.00	0	0.00	4800000
1	Nitinbhai Govindbhai Patel	-	1785500	0	0	1785500	37.20	1785500	0	1785500	37.20	0	37.20	0	0.00	0	0.00	1785500
2	Amitkumar Govindbhai Patel	-	712200	0	0	712200	14.84	712200	0	712200	14.84	0	14.84	0	0.00	0	0.00	712200
3	Kushal Nitinbhai Patel	-	1998524	0	0	1998524	41.64	1998524	0	1998524	41.64	0	41.64	0	0.00	0	0.00	1998524
4	Gitaben Nitinbhai Patel	-	226176	0	0	226176	4.71	226176	0	226176	4.71	0	4.71	0	0.00	0	0.00	226176
5	Gitaben Amitbhai Patel	-	57500	0	0	57500	1.20	57500	0	57500	1.20	0	1.20	0	0.00	0	0.00	57500
6	Pooja Kushal Patel	-	20000	0	0	20000	0.42	20000	0	20000	0.42	0	0.42	0	0.00	0	0.00	20000
7	Krunalbhai Girishkumar Patel	-	100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>4800000</b>	<b>0</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>4800000</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4800000</b>
(2)	Foreign																	
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)</b>	<b>7</b>	<b>4800000</b>	<b>0</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>4800000</b>	<b>0</b>	<b>4800000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4800000</b>
<b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A</b>																		
<b>Note:</b>																		
PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).																		
The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																		

(C). Table III - Statement showing shareholding pattern of the Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shares held (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class eg: X	Clas eg: y	Total			Total as a % of (A+B+C)	No.	As a % of total shares held (b)	No.		As a % of total shares held (b)
(1)	<b>Institutions</b>																	
(a)	Mutual Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(c)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(e)	Foreign Portfolio Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(f)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(g)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(h)	Provident Funds/Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(i)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0

	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>
(2)	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>
(3)	<b>Non-institutions</b>																	
(a i))	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(a ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(b)	NBFCs registered with RBI	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(c)	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
(e)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N.A.	N.A.	0
	<b>Sub-Total (B)(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+( B)(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0</b>
<b>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A</b>																		
<b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.</b>																		
<b>Note:</b>																		
PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).																		

**(D). Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights					Total as a % of (A+B+C)	No.	As a % of total shares held (b)	No.		As a % of total shares held (b)
								Class eg: X	Class eg: Y	Total								
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N.A.	N.A.	0		
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N.A.	N.A.	0		
	<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>0.00</b>

Our Company will file shareholding pattern of our Company in the format prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.



9. The shareholding pattern of our Promoters and Promoters' Group and public before and after the Issue:

Sr. No.	Name of share holder	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>PROMOTERS</b>					
1.	Mr. Nitinbhai Govindbhai Patel	1785500	37.20	1785500	27.25
2.	Mr. Kushal Nitinbhai Patel	1998524	41.64	1998524	30.50
3.	Mr. Amitkumar Govindbhai Patel	712200	14.84	712200	10.87
<b>Total – A</b>		<b>4496224</b>	<b>93.67</b>	<b>4496224</b>	<b>68.62</b>
<b>PROMOTERS' GROUP</b>					
4.	Mrs. Gitaben Nitinbhai Patel	226176	4.71	226176	3.45
5.	Mrs. Gitaben Amitbhai Patel	57500	1.20	57500	0.88
6.	Mrs. Pooja Kushal Patel	20000	0.42	20000	0.31
7.	Mr. Krunalbhai Girishkumar Patel	100	0.00	100	0.00
<b>Total - B</b>		<b>303776</b>	<b>6.33</b>	<b>303776</b>	<b>4.64</b>
<b>Total Promoters and Promoters' Group (A+B)</b>		<b>4800000</b>	<b>100.00</b>	<b>4800000</b>	<b>73.26</b>
<b>PUBLIC - PRE IPO</b>					
8.	NIL	0	0.00	0	0.00
<b>Total-C</b>		<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>INITIAL PUBLIC OFFER</b>					
9.	<b>Initial Public Offer - Public</b>	0	0.00	1752000	26.74
<b>Total-D</b>		<b>0</b>	<b>0.00</b>	<b>1752000</b>	<b>26.74</b>
<b>Total Public (C+D)</b>		<b>0</b>	<b>0.00</b>	<b>1752000</b>	<b>26.74</b>
<b>Grand Total (A+B+C+D)</b>		<b>4800000</b>	<b>100.00</b>	<b>6552000</b>	<b>100.00</b>

\* Rounded off

10. Details of Major Shareholders:

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital#
1.	Mr. Nitinbhai Govindbhai Patel	1785500	37.20
2.	Mr. Kushal Nitinbhai Patel	1998524	41.64
3.	Mr. Amitkumar Govindbhai Patel	712200	14.84
4.	Mrs. Gitaben Nitinbhai Patel	226176	4.71
5.	Mrs. Gitaben Amitbhai Patel	57500	1.20

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital#
1.	Mr. Nitinbhai Govindbhai Patel	885500	35.42
2.	Mr. Amitkumar Govindbhai Patel	712200	28.49
3.	Mr. Kushal Nitinbhai Patel	667000	26.68
4.	Mrs. Gitaben Nitinbhai Patel	117800	4.71
5.	Mrs. Gitaben Amitbhai Patel	57500	2.30

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on the then existed Paid up Capital.

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital#
1.	Mr. Nitinbhai Govindbhai Patel	885500	35.42
2.	Mr. Amitkumar Govindbhai Patel	712200	28.49
3.	Mr. Kushal Nitinbhai Patel	667000	26.68
4.	Mrs. Gitaben Nitinbhai Patel	117800	4.71
5.	Mrs. Gitaben Amitbhai Patel	57500	2.30

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on the then existed Paid up Capital.

**(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Prospectus:**

Sr. No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital#
1.	Mr. Nitinbhai Govindbhai Patel	1785500	37.20
2.	Mr. Kushal Nitinbhai Patel	1998524	41.64
3.	Mr. Amitkumar Govindbhai Patel	712200	14.84
4.	Mrs. Gitaben Nitinbhai Patel	226176	4.71
5.	Mrs. Gitaben Amitbhai Patel	57500	1.20

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Prospectus. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**12. Shareholding of the Promoters of our Company:**

As on the date of the Prospectus, our Promoters – Mr. Nitinbhai Govindbhai Patel, Mr. Kushal Nitinbhai Patel and Mr. Amitkumar Govindbhai Patel hold total 4496224 Equity Shares representing 93.67% of the pre-issue paid up share capital of our Company. The build-up of equity shareholding of Promoters of our Company are as follows:

MR. NITINBHAI GOVINDBHAI PATEL								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
July 16, 2013 (On Incorporation)	Subscription to Memorandum	3000	3000	10	10	30000	0.06	0.05
March 25, 2014	Preferential Allotment	767500	770500	10	10	7675000	15.99	11.71
July 27, 2015	Transfer (Acquisition) <sup>1</sup>	115000	885500	10	1	115000	2.40	1.76
September 25, 2018	Right Issue	900000	1785500	10	15	13500000	18.75	13.74
<b>Total</b>		<b>1785500</b>				<b>21320000</b>	<b>37.20</b>	<b>27.25</b>

<sup>1</sup> – Mr. Nitinbhai Govindbhai Patel had acquired 60000 Equity Shares from Mrs. Axitaben Kushal Patel, 20000 Equity Shares from Mr. Devangbhai Natvarlal Patel, 15000 Equity Shares from Mr. Narendrakumar Chimanlal Patel and 20000 Equity Shares from Mr. Nayankumar Natavarlal Patel.

MR. KUSHAL NITINBHAI PATEL								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
July 16, 2013 (On Incorporation)	Subscription to Memorandum	2000	2000	10	10	20000	0.04	0.03
March 25, 2014	Preferential Allotment	498000	500000	10	10	4980000	10.38	7.60
July 27, 2015	Transfer (Acquisition) <sup>1</sup>	167000	667000	10	1	167000	3.48	2.55
September 25, 2018	Right Issue	1291624	1958624	10	15	19374360	26.91	19.71
October 16, 2018	Transfer (Acquisition) <sup>2</sup>	39900	1998524	10	17	678300	0.83	0.61
<b>Total</b>		<b>1998524</b>				<b>25219660</b>	<b>41.64</b>	<b>30.50</b>

<sup>1</sup> – Mr. Kushal Nitinbhai Patel had acquired 49000 Equity Shares from Mr. Harsh Bharatbhai Patel, 36000 Equity Shares from Mr. Malay Bharatbhai Thakkar, 27000 Equity Shares from Mr. Parth Mahendrabhai Patel, 20000 Equity Shares from Ms. Manaliben Nalinbhai Patel, 15000 Equity Shares from Mr. Nalinbhai Vanarajbhai Patel and 20000 Equity Shares from Mr. Prathavi Devangbhai Patel.

<sup>2</sup> – Mr. Kushal Nitinbhai Patel had acquired 20000 Equity Shares from Nitinbhai Govindbhai Patel HUF and 19900 Equity Shares from Amitbhai Govindbhai Patel HUF.

MR. AMITKUMAR GOVINDBHAI PATEL								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
July 16, 2013 (On Incorporation)	Subscription to Memorandum	2000	2000	10	10	20000	0.04	0.03
March 25, 2014	Preferential Allotment	468000	470000	10	10	4680000	9.75	7.14
July 27, 2015	Transfer (Acquisition) <sup>1</sup>	242200	712200	10	1	242200	5.05	3.70
<b>Total</b>		<b>712200</b>				<b>4942200</b>	<b>14.84</b>	<b>10.87</b>

<sup>1</sup> – Mr. Amitkumar Govindbhai Patel had acquired 20000 Equity Shares from Mr. Bharatbhai Govindbhai Patel, 20000 Equity Shares from Mr. Bhupendrabhai Jayantilal Patel, 15000 Equity Shares from Mr. Chandrakantbhai Govindbhai Patel, 15000 Equity Shares from Ms. Dharaben Dharmeshkumar Patel, 13800 Equity Shares from Ms. Dipikaben Viralkumar Patel, 20000 Equity Shares from Ms. Hinaben Bhupendrabhai Patel, 28400 Equity Shares from Ms. Kailasben Narendrakumar Patel, 20000 Equity Shares from Mr. Kishan Bhupendrabhai Patel, 15000 Equity Shares from Ms. Lilavatiben Chandrakant Patel, 25000 Equity Shares from Mr. Vanarajbhai Govindbhai Patel, 20000 Equity Shares from Ms. Vidhyaben Natavarlal Patel, 10000 Equity Shares from Ms. Pina Bharatbhai Patel and 20000 Equity Shares from Mr. Utej Kacharalal Patel.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

13. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
1.	Mr. Nitinbhai Govindbhai Patel	1785500	11.94
2.	Mr. Kushal Nitinbhai Patel	1998524	12.62
3.	Mr. Amitkumar Govindbhai Patel	712200	6.94

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Prospectus.

14. We have 7 (Seven) shareholders as on the date of filing of the Prospectus.

15. As on the date of the Prospectus, our Promoters and Promoters' Group hold total 4800000 Equity Shares representing 100.00% of the pre-issue paid up share capital of our Company.

16. Except listed below, none of our shareholders belonging to Promoters and Promoters' Group, Directors and their relatives have purchased or sold the Equity Shares of our Company during the past six months immediately preceding the date of filing the Prospectus;

Sr. No.	Date of Transfer	Name of Transferor	Category of Transferor	Name of Transferee	Category of Transferee	No. of Equity Shares	Amount per Equity share (in ₹)
1.	October 16, 2018	Savitaben Govindbhai Patel	Promoters' Group	Pooja Kushal Patel	Promoters' Group	20000	17.00
2.	October 16, 2018	Nitinbhai Govindbhai Patel HUF	Promoters' Group	Kushal Nitinbhai Patel	Promoter	20000	17.00
3.	October 16, 2018	Amitbhai Govindbhai Patel HUF	Promoters' Group	Kushal Nitinbhai Patel	Promoter	19900	17.00
4.	October 16, 2018	Amitbhai Govindbhai Patel HUF	Promoters' Group	Krunalbhai Girishkumar Patel	Promoters' Group	100	17.00

17. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Prospectus.

**18. Details of Promoter's Contribution locked in for three years:**

Our Promoters have given written consent to include 1314000 Equity Shares subscribed and held by them as a part of Minimum Promoters' Contribution constituting 20.05% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked in.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

**Explanation:** The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.05% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details Minimum Promoters' Contribution are as follows:

NITINBHAI GOVINDBHAI PATEL									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Source of Contribution *	%of Pre issue Capital	%of post issue Capital	Date up to which Equity Shares are subject to Lock-in
March 25, 2014	March 25, 2014	Preferential Allotment	400000	10	10	Owned Sources	8.33	6.11	January 15, 2022
July 27, 2015	Not Applicable	Transfer (Acquisition)	38000	10	1	Owned Sources	0.79	0.58	January 15, 2022
<b>Total</b>			<b>438000</b>				<b>9.13</b>	<b>6.68</b>	

\* The Source of Contribution as certified by the M/s. Manish Dave & Co., Chartered Accountant, Ahmedabad vide their certificate dated October 22, 2018.

KUSHAL NITINBHAI PATEL									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Source of Contribution *	%of Pre issue Capital	%of post issue Capital	Date up to which Equity Shares are subject to Lock-in
March 25, 2014	March 25, 2014	Preferential Allotment	438000	10	10	Owned Sources	9.13	6.68	January 15, 2022
<b>Total</b>			<b>438000</b>				<b>9.13</b>	<b>6.68</b>	

\* The Source of Contribution as certified by the M/s. Manish Dave & Co., Chartered Accountant, Ahmedabad vide their certificate dated October 22, 2018.

MR. AMITKUMAR GOVINDBHAI PATEL									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Source of Contribution *	%of Pre issue Capital	%of post issue Capital	Date up to which Equity Shares are subject to Lock-in
March 25, 2014	March 25, 2014	Preferential Allotment	438000	10	10	Owned Sources	9.13	6.68	January 15, 2022
<b>Total</b>			<b>438000</b>				<b>9.13</b>	<b>6.68</b>	

\* The Source of Contribution as certified by the M/s. Manish Dave & Co., Chartered Accountant, Ahmedabad vide their certificate dated October 22, 2018.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. All the Equity Shares held by the Promoters / members of the Promoters' Group are in dematerialized form.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20.05% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- Equity shares which have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price;

- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;

#### **19. Lock in of Equity Shares held by Promoters in excess of Minimum Promoters' contribution:**

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 3182224 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

#### **20. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly 303776 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

#### **21. Inscription or Recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### **22. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

#### **23. Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**24.** Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**25.** As on date of the Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

26. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.
27. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
28. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
29. There are no safety net arrangements for this public issue.
30. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
31. As per RBI regulations, OCBs are not allowed to participate in this offer.
32. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
33. There are no Equity Shares against which depository receipts have been issued.
34. As on date of the Prospectus, other than the Equity Shares, there are is no other class of securities issued by our Company.
35. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
36. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
37. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 32(4) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent. of the Net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

38. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
39. Our Promoters and the members of our Promoters' Group will not participate in this offer.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
41. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

Sr. No.	Name	Designation	No. of Equity Shares held	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Mr. Nitinbhai Govindbhai Patel	Chairman and Managing Director	1785500	37.20	27.25
2.	Mr. Kushal Nitinbhai Patel	Managing Director	1998524	41.64	30.50
3.	Mr. Amitkumar Govindbhai Patel	Whole-Time Director	712200	14.84	10.87



## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹1000 Lakhs (the “**Net Proceeds**”).

We intend to utilize the Net Proceeds towards the following object (Collectively, herein referred to as the “**Object**”):

#### 1. Net Incremental Working Capital Requirement

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our company are within the objects clause of our Memorandum of Association.

Also, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

#### ISSUE PROCEEDS

The details of proceeds of the Issue are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Gross Proceeds from the Issue	1051.20
Less: Issue Related Expenses	51.20
<b>Net Proceeds</b>	1000.00

#### UTILIZATION OF NET PROCEEDS

The Net proceeds are proposed to be used in the manner set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Net Incremental Working Capital Requirement	1000.00
<b>Net Proceeds</b>	1000.00

We propose to meet the requirement of funds for the stated objects of the Issue from the IPO Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition and business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds.

#### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

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:

Sr. No.	Particulars	Amount to be funded from the Net Proceeds (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Financial year 2018-19)*
1.	Net Incremental Working Capital Requirement	1000.00	1000.00

\* To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Object.

## DETAILS OF THE OBJECT

The details of the objects of the Issue are set out below.

### 1. Net Incremental Working Capital Requirement:

Our Company has installed 48 Ginning and Pressing machines which is having capacity of processing 87,600 MT/Per annum of seed cotton (“Kapas”). Our Company is producing cotton bales and cotton seeds. We are also engaged in the business of trading of Kapas, cotton bales and cotton seeds. We are also doing ginning and pressing of Kapas on job work basis. As on March 31, 2018, Net Working Capital requirement of our Company is ₹ 1536.33 Lakhs as against that of ₹ 1236.26 lakhs as on March 31, 2017. The Net Working capital requirement for the financial year 2018-19 is estimated to be ₹ 2674.37 Lakhs and net incremental working capital requirement for the financial year 2018-19 is expected to ₹1000 Lakhs.

As on the date of this Prospectus, we meet our working capital requirements in the ordinary course of business from short term loans, unsecured loans from Directors and relatives etc.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹in Lakhs)

Particulars	March 31, 2017 (Restated)	March 31, 2018 (Restated)	March 31, 2019 (Estimated)
<b>Inventories</b>			
Raw Material	61.98	75.75	-
Finished Goods	721.20	554.67	1,208.05
Trade receivables	514.27	1,063.72	1,708.53
Cash and cash equivalents	5.40	26.89	82.66
Short-term loans and advances	0	0	0
Other Current Assets	13.61	89.25	-
<b>Total Current Assets (A)</b>	<b>1,316.46</b>	<b>1,810.28</b>	<b>2,999.24</b>
Trade payables	2.56	22.53	50.63
Other current liabilities	62.88	90.93	238.37
Short-term provisions	14.76	160.49	35.87
<b>Total Current Liabilities (B)</b>	<b>80.03</b>	<b>273.95</b>	<b>324.87</b>
<b>Net Working Capital (A-B)</b>	<b>1,236.26</b>	<b>1,536.33</b>	<b>2,674.37</b>
<b>Funding Pattern</b>			
<b>Short Term Borrowings</b>	719.93	1,043.34	1,500.00 ^
<b>Borrowing from Directors, Relatives and out of Internal Accruals</b>	516.33	492.99	174.37 *
<b>Balance from Net IPO Proceeds</b>			<b>1000.00</b>

^ Our Company is availing Financial Assistance – Cash Credit of ₹ 1100.00 Lakh with sanction of Additional Peak Cash Credit limit of ₹ 400.00 Lakh, resulting to total financial assistance – Cash Credit of ₹ 1500.00 Lakh.

\*As at October 31, 2018, Company has repaid loan of ₹316.06 Lakhs to Directors and their relatives.

### Assumptions for working capital requirements

Particulars	No. of Days outstanding or holding level for the			Justification for Holding
	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19 (Estimated)	
Trade Receivables	21	31	36	Estimate for 2018-19 is on the basis of past two years outstanding Debtors.
Trade Payables	0	1	1	Estimate for 2018-19 is on the basis of past two year’s credit given by the suppliers.
Finished Goods Holding Period	32	19	26	Estimate for 2018-19 is on the basis of past two years Finished goods holding period.

## ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ 51.20 lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

ssss	Expenses (₹ in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	30.00	58.59	2.85
Market Making Charges for first year of Listing	3.00	5.86	0.29
Fees Payable to Registrar to the Issue	0.75	1.46	0.07
Fees Payable to Advertising and Marketing Expenses	2.50	4.88	0.24
Fees Payable to Regulators including Stock Exchanges	4.40	8.59	0.42
Payment for Printing and Distribution of Issue Stationaries	1.50	2.93	0.14
Others (Fees Payable to Peer Review Auditor, Fees to Legal Advisors, Marketing Expenses, Brokerage, Processing Fees for Application and Miscellenous Expenses)	9.05	17.68	0.86
<b>Total Estimated Issue Expenses</b>	<b>51.20</b>	<b>100.00</b>	<b>4.87</b>

### Notes:

1. Up to November 2, 2018, Our Company has deployed/incurred expense of ₹10.00 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. Manish Dave & Co., Chartered Accountants vide its certificate dated November 3, 2018.
2. Any expenses incurred towards aforesaid issue related expenses during the period from November 3, 2018 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
3. The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment. Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.05% on the Amount Allotted (Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price). The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

## APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

## INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under

a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections/chapters titled "RISK FACTORS" and "RESTATED FINANCIAL INFORMATION" on page no. 14 and 121 respectively of this Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

- Location of the Factory (production Unit)
- Experienced management team and a motivated & efficient work force
- Installed Capacity, Cost effective production and timely fulfillment of orders
- Increase in Business scalability

For details of qualitative factors, please refer to the paragraph "OUR COMPETITIVE STRENGTHS" in the chapter titled "BUSINESS OVERVIEW" beginning on page no. 75 of this Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Diluted Potential Equity Shares outstanding during the year}}$$

Financial Year/Period	Basic and Diluted EPS (in ₹)#	Weights
Financial Year ended March 31, 2016	0.50	1
Financial Year ended March 31, 2017	0.11	2
Financial Year ended March 31, 2018	3.29	3
<b>Weighted Average</b>	<b>1.76</b>	
<b>Period Ended June 30, 2018*</b>	<b>1.30</b>	

# Face Value of Equity Share is ₹ 10.      \*Not Annualized

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 60:

$$\text{Price to Earnings Ratio (P/E)} = \frac{\text{Issue Price}}{\text{Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Issue Price (₹ 60)
Based on EPS of Financial Year ended March 31, 2018	3.29	18.26
Based on EPS of Period ended June 30, 2018*	1.30	46.01
Based on Weighted Average EPS	1.76	34.06

\*Not Annualized

#### 3. Average Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2016	5.41	1
Financial Year ended March 31, 2017	1.15	2
Financial Year ended March 31, 2018	25.97	3
<b>Weighted Average</b>	<b>14.27</b>	
<b>Period Ended June 30, 2018*</b>	<b>9.31</b>	

\*Not Annualized

#### 4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Total number of equity shares outstanding at the end of the period or year}}$$

Particular	Amount (in ₹)
As at June 30, 2018	14.01
NAV per Equity Share after the Issue	26.65
Issue Price per Equity Share	60.00

#### 5. Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone/ Consolidated	Face Value (₹)	Current Market Price (₹) <sup>@</sup>	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Axita Cotton Limited*	Standalone	10	60.00	3.29	18.26	25.97	12.65	12,345.78
<b>Peer Group</b>								
Pashupati Limited^	Cotspin Standalone	10	51.00	Negative	Negative	Negative	50.66	33,442.28
Santaram Limited^	Spinners Standalone	10	9.44	0.36	26.31	2.08	17.26	13,885.43

<sup>@</sup> Current Market Price (CMP) is taken as the closing price of respective scripts as on November 2, 2018 at National Stock Exchange of India Limited/BSE Limited. For our Company, we have taken the issue price of equity share.

\* The EPS, P/E Ratio, NAV, RonW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2017-18.

^ The Figures as at March 31, 2018 are taken from the Annual Reports uploaded on its website/Stock Exchange(s).

#### Note:

1. Considering the nature and size of business of the Company, the peer is not strictly comparable. However the same has been included for broad comparison.  
NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares.
2. P/E Ratio has been computed based on the closing market price of peer group's equity shares on November 2, 2018 at National Stock Exchange of India Limited/BSE Limited, as divided by the Basic EPS provided.
3. RoNW has been computed as net profit after tax divided by closing net worth.
4. Net worth has been computed in the manner as specifies in Regulation 2(1)(hh) of SEBI (ICDR) Regulations, 2018.
6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is 6 times the face value of equity share.

The Issue Price of ₹ 60/- is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "RISK FACTORS" and chapters titled "BUSINESS OVERVIEW" and "RESTATED FINANCIAL INFORMATION" beginning on page nos. 14, 75 and 121 respectively of this Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
**Axita Cotton Limited**  
Servey No. 324, 357, 358, Kadi Thol Road,  
Borisana, Kadi, Mahesana – 382 715, Gujarat

Dear Sir,

**Sub: Statement of possible tax benefits (“the statement”) available to Axita Cotton Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

**Ref.: Initial Public Offer of Equity Shares by Axita Cotton Limited**

We hereby report that the enclosed annexure for the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (“Act”) as amended by the Finance Act, 2018 (i.e. applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover special tax benefits only available to the Company and its Shareholders and do not cover any general tax benefits available to the Company or its Shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

- The Company and its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been /would be met with.

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For, **Manish Dave & Co.**  
**Chartered Accountants**  
**FRN: 118396W**

**CA Manish Dave**  
**Proprietor**  
**Membership No. 105359**

**Date:** October 30, 2018  
**Place:** Ahmedabad

## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.



## SECTION VIII – ABOUT US

### INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

#### ECONOMIC GROWTH

As per the second advance estimates (2nd AE) of national income released by Central Statistics Office, the growth of GDP at constant (2011-12) market prices for the year 2017-18 is estimated to be 6.6 per cent, which is lower as compared to the growth of 7.1 per cent in 2016-17. The growth of gross value added (GVA) at constant (2011-12) basic prices is estimated to be 6.4 per cent in 2017-18 (2nd AE). The growth in GVA was 7.1 per cent in 2016-17. At the sectoral level, GVA in agriculture and allied sector, industry sector and services sector have been estimated to grow by 3.0 per cent, 4.8 per cent, and 8.3 per cent respectively in 2017-18. The estimated growth of GDP at constant prices for first, second and third quarters of 2017-18 were 5.7 per cent, 6.5 per cent and 7.2 per cent respectively.

On the expenditure side, the share of total final consumption expenditure is estimated to be 70.2 per cent in 2017-18, as compared to 69.9 per cent in 2016-17. The share of fixed investment is estimated to be 28.5 per cent in 2017-18 same as in 2016-17. Exports and imports of goods and non-factor services are expected to grow at the rate of 4.4 per cent and 9.9 per cent respectively in 2017-18.



#### INDUSTRY

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity shows a fair growth in industrial production during April-December 2017-18. According to the monthly data on the IIP released by the Central Statistics Office (CSO) under the Ministry of Statistics and Programme Implementation (MOSPI), the Index of Industrial Production (IIP) based industrial growth during April-December 2017-18, was 3.7 per cent as compared to 5.1 per cent growth achieved during the corresponding period of the previous year. During December - 2017, the IIP registered 7.1 per cent growth. Out of the three broad sectors, electricity sector has growth of 5.1 per cent during April-December 2017-18 against 6.3 per cent growth achieved during this period

of the previous year. Mining and manufacturing sectors grew at 2.8 per cent and 3.8 per cent respectively against the corresponding figures of 4.3 percent and 5.0 per cent of the previous year.

Growth of IIP in April-December, 2017-18 (in Per cent) (Base 2011-12=100)			
Industry Group	Weight	April - December	
		2016-17	2017-18
Mining	14.4	4.3	2.8
Manufacturing	77.6	5.0	3.8
Electricity	8.0	6.3	5.1
<b>Growth by Industrial use based Industrial Group</b>			
Primary Goods	34.0	5.4	3.5
Capital Goods	8.2	3.4	3.8
Intermediated Goods	17.2	3.4	1.7
Infrastructure/Construction Goods	12.3	5.1	4.3
Consumer Durables Goods	12.8	4.8	-1.2
Consumer Non Durables Goods	15.3	7.5	10.3
General Index	100.0	5.1	3.7

Source: CSO

As may be seen from the table, except consumer durables goods, other used based goods sector has attained positive growth. The consumer non-durables goods registered phenomenal higher growth.

As per the Fourth Advance Estimates released by Department of Agriculture, Cooperation and Farmers Welfare, the country achieved a record production of food grains estimated at 275.7 million tonnes in 2016- 17, which is higher by 10.7 million tonnes than the previous record production of food grains achieved in 2013-14. As per the First Advance Estimates (AE) released by Ministry of Agriculture and Farmers Welfare on 22.09.2017, production of kharif food grains during 2017-18 is estimated at 134.7 million tonnes compared to 138.5 million tonnes in 2016-17.

Production of Major Kharif Crops (in Million Tonnes)			
Sr. No.	Crops	2016-17 (4 <sup>th</sup> AE)	2017-18 First AE
1.	Rice	96.4	94.5
2.	Total Coarse Cereals	32.7	31.5
3.	Total Pulses	9.4	8.7
4.	Total Kharif Foodgrains	138.5	134.7
5.	Total Oilseeds	23.4	20.7
6.	Sugarcane	306.7	337.7
7.	Cotton@	33.1	32.3
@ Production in million bales of 170 kg each			
Source: Directorate of Economics & Statistics, Department of Agriculture, Cooperation & Farmers Welfare.			

The total area sown under Rabi crops as on 19th January 2018 stands at 617.79 lakh hectares as compared to 620.99 lakh hectare during the same period in 2017. Agricultural credit in India has been growing consistently at above 17 percent annually during the last decade. During 2017-18, banks have disbursed ₹ 5.88 lakh crore (provisional as on 30th September, 2017) against the annual agriculture credit target of ₹10 lakh crore for 2017-18.

### Ease of doing Business for Small Traders

GST has significantly raised turnover thresholds of Rs 20 lakh for an entity to be taxable in GST. Further, the threshold for composition has been increased in general to ₹ 1 crore (₹ 75 lakh for special category states except Jammu & Kashmir and Uttarakhand). Certain other measures taken to encourage the MSME sector are as follows:

- i. Service providers whose annual aggregate turnover is less than ₹ 20 Lakh (₹ 10 Lakh in special category states except J & K) have been exempted from obtaining registration even if they are making inter-State taxable supplies of services. This measure is expected to significantly reduce the compliance cost of small service providers.
- ii. Small and medium businesses with annual aggregate turnover up to ₹ 1.5 crores would be required to file quarterly return (monthly for other taxpayers).

- iii. The reverse charge mechanism under subsection (4) of section 9 of the CGST Act, 2017 and under sub-section (4) of section 5 of the IGST Act, 2017 has been suspended till 31.03.2018.
- iv. The requirement to pay GST on advances received was proving to be burdensome for small dealers and manufacturers. In order to mitigate their inconvenience on this account, it was been decided that taxpayers having annual aggregate turnover up to ₹ 1.5 crores shall not be required to pay GST at the time of receipt of advances on account of supply of goods.

**Rationalization of GST rate structure for goods**

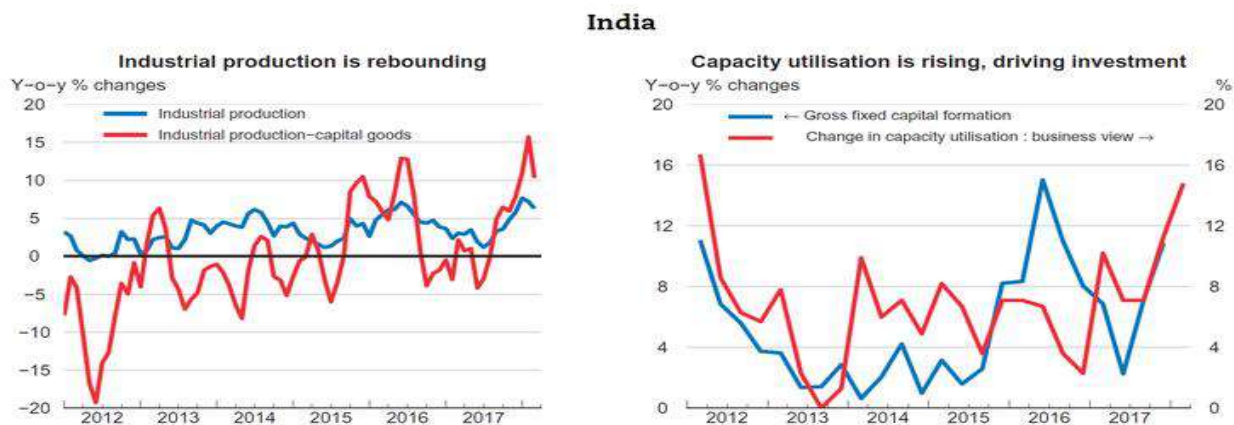
After implementation of GST regime, rates have been rationalized significantly to address the concerns of trade and consumers. Major decisions on rate rationalization were taken by the GSTSC Council in its meeting on the 10 November, 2017.

(Source: [https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English\\_0.pdf](https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English_0.pdf))

**INDIAN ECONOMY OVERVIEW**

Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new goods and services tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees. The current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernisation of labour laws, would help create better jobs and make growth more inclusive.



Source: Central Statistics Office; and Reserve Bank of India.

StatLink <http://dx.doi.org/10.1787/888933730104>

(Source: - <http://www.oecd.org/economy/india-economic-forecast-summary.htm>)

**Recent Key Developments**

**1. HISTORIC TAX REFORM**

The Goods and Services Tax (GST) came into effect across India from July 1, 2017. GST has turned all 36 states and union territories of India into one common market. By curbing cascading taxes, GST has also reduced the cost of local production. GST is expected to bring more businesses from the unorganised to the organised sector, thereby increasing efficiency and productivity and attracting more foreign direct investment (FDI).

Paying taxes has become easier in India because of factors like the introduction of GST and digitisation of processes. A fact that is captured succinctly in the World Bank Doing Business Report 2018. India improved its ranking on the Paying Taxes indicator in the report by 53 places.

**2. DIGITISATION DRIVE**

Systems from taxation to incorporating a company are being moved online. For example, on October 2, 2016, the Ministry of Corporate Affairs (MCA) introduced a simplified electronic form called SPICe that makes it possible to incorporate a company in India in just one day<sup>1</sup>. In 2017, the Central Board of Direct Taxes tied up with the MCA to make Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) available in a day to businesses that register through the SPICe electronic form.

A new online system has also streamlined the process for getting construction permits, reducing both the number of procedures and the time required to get a permit. This last step has improved India's ranking on the Construction Permits indicator of the World Bank Doing Business Report.

### **3. NEW INSOLVENCY CODE**

Enacted on May 28, 2016, the Insolvency and Bankruptcy Code 2016 consolidates all rules and laws relating to insolvency into a single legislation and brings India's bankruptcy code on par with global standards<sup>1</sup>. The code is designed to promote entrepreneurship—it enables companies to tide over financial difficulties and opt for restructuring while still fulfilling orders. It also promotes greater confidence among investors and increases availability of credit, by strengthening procedures.

By October 2017, more than 2,050 insolvency applications had been filed before the National Company Law Tribunal and 112 applications had been admitted. The code has helped India improve ease of doing business. India moved up 33 ranks in the Resolving Insolvency indicator of the World Bank's Doing Business Report in 2017.

### **4. INSTITUTIONAL REFORMS**

A social revolution is brewing in India under the moniker JAM: Jan Dhan Yojana for financial inclusion, Aadhaar biometric identification and mobile telecommunications.

The Prime Minister's Jan Dhan Yojana (PMJDY) is a financial inclusion programme that makes services like banking, remittance and insurance available to every Indian at affordable cost. Beneficiaries can open a zero-balance account. As of August 16, 2017, 295 million new bank accounts had been opened under the PMJDY. More than 176 million of these accounts are in rural India, and around 145 million are operated by women.

Aadhaar is an ambitious biometric identification system. As of 2017, the Unique Identification Authority of India had issued a unique 12-digit Aadhaar number to more than 1.19 billion Indians, covering 99.9% adults in the country. Mobile-phone adoption has been impressive in India by any standards. Already there are more than 1 billion mobile phone subscribers in India. Plans are underway to deploy 5G services for consumers as early as 2020.

### **5. RADICAL CHANGES IN FDI POLICY REGIME**

FDI liberalization in 87 policy areas across 21 sectors is paying off. On June 20, 2016, Government of India radically liberalized the FDI regime<sup>1</sup>. The objective was to increase FDI inflow, of course, but also provide major impetus to employment and job creation. Now, most of the sectors are under automatic approval route. Sectoral caps across major sectors including defence and aviation have been increased to 100%. With these changes, India is now one of the most open economies in the world for FDI. In 2017, India retained its position as the World #1 Greenfield FDI destination.

### **6. INFRASTRUCTURE PUSH**

Programmes to build infrastructure and connect India are picking up pace. New railway lines have been constructed in 2017 at an expenditure of Rs 4,531.93 crore. A five-year plan to build 83,677 km of roads has begun. Of this ambitious target, the Bharatmala Pariyojana programme will account for 34,800km of roads and create 14.2 crore mandays of jobs in the process. The remaining 48,877km will be developed by the National Highway Authority of India and the Ministry of Road Transport and Highways.

The Sagarmala Programme, on the other hand, focuses on connectivity by sea. It envisages a role for multiple central ministries and agencies as well as state governments to complete 415 projects in just 20 years till 2035. The projects are across port modernization, new port development, port connectivity enhancement, port-linked industrialization and coastal community development.

India gained 19 places in the World Bank's Logistics Performance Index 2016 ranking, the latest figures available at the time of publication.

### **7. TECHNOLOGY READINESS**



More than 100,000 Gram Panchayats or Village Councils now have access to high-speed broadband, thanks to Government of India's BharatNet project. BharatNet is probably the world's largest rural broadband project. As on December 31, 2017, 254,895 km of optical fibre cable had been laid across 109,926 Gram Panchayats as part of the project. BharatNet is expected to make digital delivery of services for health, education, livelihood, skills training, e-agriculture and e-commerce available to the rural poor, in addition to generating massive employment opportunities.

Apart from BharatNet, India has more than 1 billion mobile phone subscriptions and 462 million Internet users. India improved its ranking on the Technology Readiness Pillar of the World Economic Forum's Global Competitiveness Index 2017 by three places.

## 8. RENEWABLE ENERGY

India is World #4 in terms of installed capacity to harness power from wind, and World #6 in terms of installed solar power capacity. As of November 30, 2017, solar energy projects capable of producing 16611.73MW had been installed in the country. In 2016- 17, India exceeded its target for wind power capacity addition by 38%, taking the total installed capacity to 32746.87 MW<sup>1</sup>.

The Government of India has set an ambitious target to install 175 GW renewable power capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.

(Source: - <http://www.makeinindia.com/eight-key-developments-in-india>)

### Road Ahead

In financial year 2018, despite this bumpy ride, India has managed to retain the tag of the world's fastest-growing economy. In fact, Asia's third-largest economy is expected to grow at a faster clip than all other major countries for the next three years, according to the World Bank. Recovery in private investments and strong growth in private consumption and services are expected to fuel growth over the next few years. While the economy seems to have overcome the debilitating effects of demonetisation, the recovery may be hamstrung by rising oil prices. A weakening rupee and the dismal job situation are the other key problems in the short-run.

Yet, the government has retained its forecast of 7.5% growth for financial year 2019. But global rating agencies are not as optimistic. On May 30, Moody's Investors Service cut India's GDP growth forecast for this financial year from 7.5% to 7.3%. Even Goldman Sachs group has revised India's growth projections from 8% to 7.6%. Now, it's to be seen if Team Modi can finally bring the promised *acche din* before the country votes in 2019.

(Source:- <https://qz.com/india/1294390/achhe-din-indias-gdp-growth-is-back-to-pre-narendra-modi-days/>)

## TEXTILE INDUSTRY IN INDIA

### Evolution of textile industry in India

Textiles are known to mankind since or earlier than 7,000 BC. The knowhow of textiles is older than metal working or pottery making. There are evidences that have been unearthed which has proved that people in Harrapan civilization knew weaving and spinning. Such is the age of textiles in India. In the medieval period, the evolution advanced a step further when William Lee invented the stocking frame, the first but hand- operated weft knitting machine.

But the real evolution of textiles in the field of technology happened in the industrial age. One name which finds worth mentioning over here is Sir Richard Arkwright. A visionary and doyen of his standards, he infused the much needed technology at that point of time to give spinning and weaving an industrial outlook through his inventions.



Coming back to the evolution at our own backyard, the Indian textile Industry has been ever growing. Where tradition, not fashion, rules, concentration on the aesthetic prevails instead of mere change. While India has been celebrated over centuries for its fibre base, spinning techniques and weaving magic, it has slowly carved a distinct place for itself in home

textiles products as well worldwide. The two world wars and the Swadeshi movement in India provided great stimulus to the Indian cotton textile industry. Although during the period 1922 to 1937 the industry was in doldrums which also witnessed a number of Bombay mills being changed hands. The cotton textile industry is rightly described as a Swadeshi industry because it was developed with indigenous entrepreneurship and capital and in the pre-independence era the Swadeshi movement stimulated demand for Indian textile in the country. Indian textiles industry is now a well-established one with showing significant attributes and a lustrous future. The country is the second biggest textiles manufacturer worldwide, right after China. The Indian textile industry is an integral part of the overall manufacturing sector of the country and is a major contributor to the country's economy. According to August 2014 reports, the sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 17 per cent to the country's export earnings. India's textile industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scope for the other ancillary sectors. Indian textile industry currently generates employment for more than 35 million people. The size of India's Textile technologies are undergoing a profound change. Textile structures in technical applications are creating a new market potential. Creative and successful considerations of textile investment in widely diverse fields will shape our future and provide assurance. The growth of the textile industry is not only limited to manufacture and export of garments. The growth and success of Indian textile industries lies in the vertical integration of the policies and framework which have helped manufacturers in domestically subjugating the entire process which also bears an impact on the overall cost like raw material treatment, captive power generation etc. This has also led to the in house production of cotton, jute etc to complement and support their own manufacturing portfolio. This again has an impact on the overall cost of the finished good. India is also home to almost one fourth of the spindle activities worldwide thereby coming second to China. Looming or we say looms as such is also a weapon in the armoury of the Indian textile industries as it covers an unprecedented 61 per cent share.

*(Source: <http://www.indiantextilejournal.com/News.aspx?nId=yMWUzeUaZoAcnNyVRCUKsw==&NewsType=Evolution-of-textile-industry-in-India-India-Sector>)*

### **Government Initiatives**

In order to follow the goal of making India's development inclusive, the central government is focusing on a number of policies in providing best manufacturing and infrastructure to local artisans, technology and innovation, enhancing skills and strengths of the local industry.

#### **Some of these major initiatives are listed below:**

The government has been implementing various policy initiatives and programmes for development of textiles and handicrafts, particularly for technology, infrastructure creation, skill development, including:

- Amended Technology Upgradation Funds Scheme (ATUFS)
- PowerTex India Scheme
- Scheme for Integrated Textile Parks
- SAMARTH- scheme for capacity building in Textile Sector
- Silk Samagra- integrated silk development scheme
- North Eastern Region Textile Promotion Scheme (NERTPS)
- National Handicraft Development Programme (NHDP)
- Comprehensive Handicrafts Cluster Development Scheme (CHCDS).

The Textile Ministry of India announced Rs 690 crore (US\$ 106.58 million) for setting up 21 ready-made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

### **Labour law reforms:**

Government is now bearing 3.67 per cent of Employee Provident Fund (EPF) contribution for new workmen in addition to existing reimbursement of 8.33 per cent employer contribution under Pradhan mantra Rojgar Protsahan Yojana for three years.

The Government also launched a special package to boost investment, employment, and exports in the garments and made-up sector. The special package was designed to create upto one crore jobs, and boost exports by US \$ 31 billion and attract investment of ₹ 80,000 crores in 3 years. So far, it has generated additional exports of ₹ 5,728 crore and additional investments of ₹ 25,345 crore.

### **Enhancement of rates under MEIS:**

DGFT has enhanced the rates under Merchandise exports from India Scheme on readymade garments and made ups from 2 per cent to 4 per cent to boost exports in the textile world.

## About Make in India

Prime Minister Narendra Modi launched the 'Make in India' campaign on September 25, 2014, to boost domestic manufacturing units. The aim of this campaign was to increase the contribution of manufacturing in GDP from 15 per cent to 25 per cent. PM mentioned this phrase in his Independence day speech 2014 emphasising on his concern that most entrepreneurs are moving out of the country. In the process, the government expects to generate jobs, attract much foreign direct investment, and transform India into a manufacturing hub preferred around the globe.

(Source: -<https://www.indiatoday.in/education-today/gk-current-affairs/story/textile-industry-in-india-latest-facts-figures-government-schemes-1353406-2018-10-01>)

## COTTON PRODUCTION

The total cotton production and consumption in the country during the current crop year i.e. 2018-19 is not available. However, State-wise estimated production of cotton, as per the Third Advance Estimates for the year 2017-18, is as under:

State	Production (in lakh bales of 170 kgs. each)
Andhra Pradesh	20.38
Gujarat	126.37
Haryana	16.26
Karnataka	12.24
Madhya Pradesh	18.69
Maharashtra	65.46
Orissa	4.02
Punjab	12.83
Rajasthan	18.93
Tamilnadu	4.88
Telangana	47.54
Others	1.02
<b>All-India</b>	<b>348.62</b>

The total consumption of cotton in the country during 2017-18, as estimated by Cotton Advisory Board (CAB) in its meeting held on 16.6.2018, is 315.50 lakh bales.

The Government has been implementing Cotton Development Programme with a focus on cropping system approach under National Food Security Mission (NFSM) in major cotton growing states since 2014-15 to enhance production and productivity. Thrust has been given on transfer of technology through frontline demonstrations and training in order to extend benefits to farmers. In addition, States can support Cotton Development Programme under Rashtriya Krishi Vikas Yojna.

Further to provide remunerative prices to cotton cultivators in the country, Government has fixed the Minimum Support Price (MSP) of Cotton for 2018-19 season at ₹ 5150/- per quintal for medium staple and at ₹ 5450/- per quintal for long staple. This provides margin of 50 percent over all India paid out cost including family labour.

As a result of various initiatives taken by the Government, India has become a major cotton producer in the world and is also a net cotton surplus country.

The details of imports and exports of cotton products for the year 2017-18 (provisional) are given as under:

Cotton Products	Imports (in tonnes)	Value of Imports (in million USD)	Exports (in tonnes)	Value of Exports (in million USD)
Cotton Fabrics, Madeups etc.	-	472.20	-	5480.22
Cotton Raw (including waste)	469126	979.32	1097492	1887.48
Cotton Yarn	6503	31.88	1097388	3424.92
Ready Made Garment (RMG) Cotton including accessories	-	350.94	-	8510.67

(Source: - <http://pib.nic.in/newsite/PrintRelease.aspx?relid=181286>)

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “RISK FACTORS” on page no. 14 of the Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Accounting Standard set forth in the Prospectus.*

### COMPANY'S BACKGROUND

Our Company was incorporated as “Axita Cotton Private Limited” at Ahmedabad on July 16, 2013, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Axita Cotton Limited” and fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad. The Corporate Identification Number of our Company is U17200GJ2013PLC076059.

Before incorporating our company, our Promoters, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel along with other relatives started business under a Partnership Firm named, Aditya Oil Industries (“firm”) in the year 2007. It was formed to start business of production and trading of Seed cotton (“Kapas”), Cotton Seed, Cotton Seed Oil, Cotton cake etc and for which land admeasuring area of 5708 Square Meters was acquired at Chattral, Kadi Road, Mehsana. There were 6 oil expeller installed for producing cotton seed oil in Aditya Oil Industries and the firm has an annual capacity of producing approximately 3153.6 MT/ Per annum of cotton seed oil. After two years, firm was successful in making good profits from production and selling cotton seed oil, promoters expanded business by adding corn oil to their product portfolio by installing machineries for corn oil production in the same space of land. In the year 2011, firm acquired land adjacent to existing land at Kadi and set up the cotton Ginning and Pressing Plant, having installed capacity of processing 26280 MT/ Per annum of seed cotton.

After gaining experience of 2 years in cotton ginning and pressing field, our promoters acquired land admeasuring area of 9961 Square Meteres at Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana and floated our company in the year 2013. Our company was established with the main aim of conducting business of Ginning and Pressing of seed cotton (“Kapas”). Our Company has installed 48 Ginning and Pressing machines which is having capacity of processing 87,600 MT/Per annum of seed cotton. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company.

Our Company is producing cotton bales and cotton seeds. Our Company is producing mainly two varieties of cotton bales namely Shankar-6 and MCU-5/MECH. The production facility of our Company is situated at Kadi in Mahesana District of Gujarat state which is close to the rich cotton growing areas of Maharashtra, Saurashtra and other regions of Gujarat. Our products are sold majorily in the state of Gujarat, Rajasthan, Maharashtra and Madhya Pradesh. We are also engaged in the business of trading of Kapas, cotton bales and cotton seeds. We are also doing ginning and pressing of Kapas on job work basis. We are ISO 9001:2015 certified company by OCI (Optimum Certifications INC.). We are also member of Better Cotton Initiatives (Independent Organization) which promotes better standards in cotton farming and practices across various countries. We have also registered our company under Textile Certification Global Organic Textile Standard (GOTS) Standard.

Then after in 2015, under leadership of one of our Promoter – Mr. Kushal Nitinbhai Patel started exporting our products through merchandise exporters. From Financial year 2016-2017 onwards, our company also commenced exporting our products directly to few countries namely Pakistan, Bangladesh and Vietnam. During the FY 2016, our promoters again floated a new private limited company named, Axita Exports Private Limited (“AEPL”), a group company, which was incorporated with the aim of exporting of cotton bales to various countries. AEPL exports cotton bales in Bangladesh, Vietnam, China and Pakistan, purchased from our company and also exports locally purchased cotton bales from other suppliers.

The Promoters of our Company Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel have more than one decade of experience in the cotton textile industry. Our Promoters have sound knowledge of production process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to production and marketing of raw cotton, Cotton bales, Cotton seeds and by-products. Our revenue from operation has reached to ₹12327.02 Lakhs in the F.Y. 2017-18 as compared to ₹1736.08 Lakhs in its first financial year after incorporation i.e. F.Y. 2013-14.

### OUR PRODUCTS



## 1. COTTON BALES

Cotton Bales is cotton packed in bales form. Cotton Bales are a result of ginning and pressing process of Kapas. Our ginning unit separates cotton fibre and cotton seed from Kapas.

### Quality:- Shankar -6 variety & MCU 5/MECH Variety

Shanker-6 cotton contains less Neps\*.

*\*A nep can be defined as a small knot (or cluster) of entangled fibres consisting either entirely of fibres (i.e. a fibre nep) or of foreign matter (e.g. a seed-coat fragment) entangled with fibres. In contrast to the loose arrangement of a worsted nep, a cotton nep generally has a tight formation and better spinning output in comparison with other raw cotton. This cotton gives more yarn output and better CSP (Count Strength Product) in spinning with good dye absorption.*

### Technical Specifications

<b>Staple length :</b>	29 mm to 30 mm
<b>Strength :</b>	29 to 30 gm / tex
<b>Color Grade:</b>	11-1,21-1, Near about GM Grade, Reflectance-78%
<b>Elongation</b>	24-26 (+/- 5%)
<b>Microniare</b>	3.8 to 4.3
<b>Uniformity Ratio</b>	83%+
<b>Elongation</b>	5.5 to 6.5 %
<b>Maturity</b>	72+ %
<b>Trash :</b>	Below 1.5%



### Application:-

The main application of ginned cotton referred to as lint is for spinning operations. The cotton moves through the Spinning machines and is converted into Cotton yarn.

## 2. COTTON SEED

Cotton seeds are the seeds of the cotton plant. They are densely covered with white or rusty, long and woolly hairs, called the lint. Cotton seeds are usually the by-product of the production of cotton fibre by a cotton gin, which separates the lint from the seeds.



### Technical Specifications:

<b>Moistures/Humidity</b>	5.0 to 10.0 %
<b>Oleic Acidity</b>	0.75 %
<b>Oil Contents</b>	18 to 21.70 %
<b>Oils</b>	12 – 14 %
<b>Aflatoxin</b>	5 PPB MAX
<b>Purity</b>	98.9% min
<b>Impurities</b>	0.3%

### Application:-

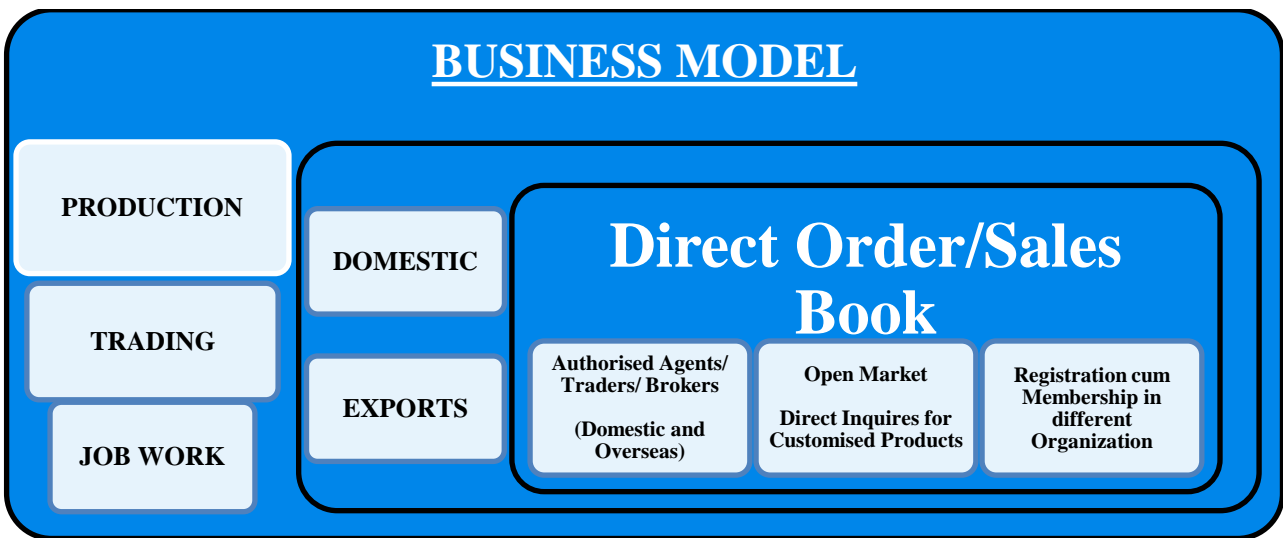
Cotton seed is used to extract oil (Cottonseed Oil which is edible oil) by crushing into the Oil mill after removing lint from the cotton seed to extract oil and the remaining excreted material which is cotton seed oil cake which is used as feed products for livestock, i.e. cattle feed.

Location	Area	Usage
Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana-382715.	9961 Sq. Mt.	Factory – Production Unit, Warehouse & Registered Office

## OUR BUSINESS MODEL

Our Company's business model is broadly divided into two category i.e. Production and Trading of our products. Our products are sold directly to end users in India and to end users through merchandise in Overseas. We are exporting to Pakistan, Bangladesh and Vietnam. Further, we also get the regular inquiries from the open market from authorized Agents, traders and Brokers and especially for inquires for customized product. Our products are seasonal, so during off season, we concentrate on trading and exports out of our total closing stock produced during 8 (eight) months season. We are also doing ginning and pressing of Kapas on job work basis. We provide customized products as per requirements of the consumers.

Our majority of cotton seeds are consumed captively by our group entity i.e. Aditya Oil Industries (partnership firm) and moreover, our cotton bales are also sold to our group company i.e. Axita Exports Private Limited, which subsequently also exports our cotton bales to different countries namely China, Pakistan and Bangladesh. Our marketing strategy involves around developing new clients by approaching them through various registration cum membership in different organization like Tex Procil, FIEO, AQSIQ, BCI and organic cotton.



## OUR BUSINESS STRATEGY

### Inventory Level/Stocking of Goods

Our company keeps inventory level ranging 19 to 32 days approximately of our total sales. As, our products are seasonal, so during off season, we concentrate on trading and exports of our product to different countries, out of our total Inventory/closing stock produced during 8 (eight) months season.

### Quality of our products

The Company is producing two varieties of cotton bales i.e. Shankar-6 and MCU-5/MECH. Our strength lies in understanding the requirement of the customer and our execution capabilities. This has enabled us to get orders from our customers and attract new customers. We believe that the intricacies of our quality of our products' finish which enable us to get better margins on the products produced by us.

### Optimal Utilization of Resources

Our company is producing cotton bales and cotton seed. Our Company constantly endeavors to improve our production process, skill up-gradation of workers, and maintenance of machineries during off season so as to optimize the utilization of resources. We regularly analyze our existing raw material procurement and production processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use for further details of capacity and capacity utilization refer the details given on page 79 of this section "BUSINESS OVERVIEW".

### **To build-up a professional organization**

Our company is affiliated with BCI- Better Cotton Initiative and Control Union for Organic Cotton. Our Company is one of the few companies of India which is affiliated for production of Better Cotton and supporting the farmers by providing them knowledge to use the organic fertilizers and adopting more productive techniques for better yield and output. We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

### **Continue to maintain strong relationships with our Customers**

We believe maintaining good strong relationship with customers is a most critical factor in business to keep growing. Through regular interactions with the customers, product sales trends and market research, we are able to determine current trends in the industry, which are used by us in the product development. We will continue to focus on timely delivery of quality products which will help in forging strong relationships with our customers and gaining increased business from them.

## **OUR COMPETITIVE STRENGTHS**

### **Location of the Factory (Production Unit)**

Our Company and factory is situated at well-developed industrial area, with all the infrastructure facilities and both skilled and unskilled manpower are available at competitive cost. Moreover, our factory location is near Kadi, which is connected to state highway connecting Ahmedabad – Mehsana -Palanpur. There are many Ginning units at Kadi. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, electricity, transportation etc. are easily available due to extensive industrialization in the area. The production facility of our Company is located in the close vicinity of the cotton rich belt of Gujarat and Maharashtra. Hence we are having easy access to National and a state highway, as a result transportation of goods, we produce and procure, becomes hassle free.

### **Experienced management team and a motivated & efficient work force**

Our Company is managed by a team of experienced personnel having experience in different aspects of cotton industry. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. The faith of the management in the staff and their dedicated performance has enabled us to build up business capabilities. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

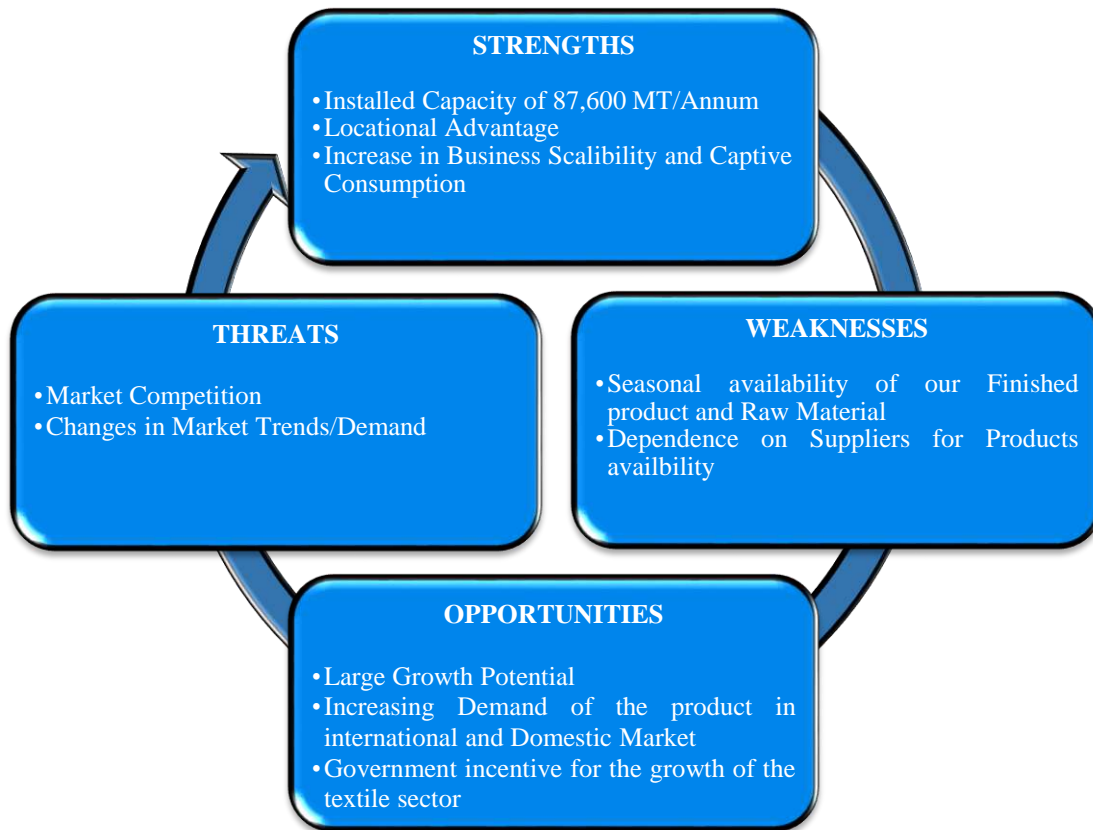
### **Installed Capacity, Cost effective production and timely fulfillment of orders**

Our Company is having installed capacity of processing 87600 MT/per annum of seed cotton. In FY 2017-18, we are able to produce 6392.68 MT /per annum cotton bales and 10882.06 MT/per annum cotton seeds. Moreover, our company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw material, smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence has the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

### **Increase in Business scalability**

During the FY 2017-18, our revenue from operations has increased to ₹12345.78 Lakhs as compared to ₹9023.06 Lakhs in the F.Y. 2016-17. In FY 2017-18, our profit after tax line has also increased to ₹82.13 Lakhs as compared to ₹2.71 Lakhs in the F.Y. 2016-17. We focus on maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the increasing demand of the products, development of new markets and by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

## SWOT ANALYSIS



## CAPACITY AND CAPACITY UTILIZATION

We have total 48 Machines installed at our Factory Location having capacity of ginning 5 MT Seed Cotton or Raw Cotton per day by each machine. Our total installed capacity is 87,600 MT/Per Annum. However, being Ginning Unit, we cannot work at 100% Capacity due to seasonality of nature of our business and availability of the seed cotton. Normally the ginning season period is of six to eight months depending up on crop size and global demand in market and our unit operates on an average 240 days in a year.

Particulars	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18
<b>Installed Capacity (In MT)<sup>1</sup></b>	87600.00	87600.00	87600.00
<b>Actual Capacity Utilization of Processing of Seed Cotton (In MT)<sup>2</sup></b>	12530.36	10349.39	17749.90
<b>% of Utilization</b>	14.30%	11.80%	20.30%

Particulars	F.Y. 2015-16		F.Y. 2016-17		F.Y. 2017-18	
<b>Raw Cotton Processing Capacity Utilization (In MT)<sup>2</sup></b>	12530.36		10349.39 Mt		17749.90	
<b>Name of Products</b>	<b>Cotton Bales</b>	<b>Cotton Seed</b>	<b>Cotton Bales</b>	<b>Cotton Seed</b>	<b>Cotton Bales</b>	<b>Cotton Seed</b>
<b>Production of Finished Products (In MT)</b>	4479.59	7604.57	3684.78	6299.65	6392.68	10882.06
<b>% of Production</b>	35.7%	61%	35.60%	60.86%	36.01%	61.30%

### Notes:

1. We have total 48 Machines installed at our Factory Location having capacity of ginning 5 MT Seed Cotton or Raw Cotton per day by each machine.
2. Seed Cotton are processed in our ginning and pressing unit, and output of seed cotton is Raw Cotton, which is further processed and as a result we get our finished output products i.e. "Cotton Bales" and "Cotton Seed".

## PRODUCTION PROCESS OF COTTON BALES AND COTTON SEED

### STEP: 1 RAW MATERIAL PROCUREMENT



Major raw material for our Company is Kapas (Seed Cotton). Our production process starts with the procurement of raw material. This step involves identification of the vendor from whom the material is to be procured and the quantity of the material required. Once the Kapas is received from the vendor, it is tested for quality. The selection of raw material is based on factors like pricing, payment terms, availability and quality of Kapas. Grading and mixing of the raw material received from the vendor is done to get the desired quality/customized product. Conveyors are used to feed the Kapas into the ginning machines.



### STEP: 2 GINNING

A Ginning machine uses the raw cotton (Kapas) received from the conveyors as Raw materials. Ginning is the first mechanical process involved in processing cotton. Ginning mill separates cotton fibers from the seed bolls and dust particles. The main application of ginned cotton referred to as lint is for spinning operations, where lint is converted to yarn. We produce quality cotton in our own Ginning and Pressing Unit.



The first step in the **ginning process** is when the **cotton** is vacuumed into tubes that carry it to a dryer to reduce moisture and improve the fiber quality. The separation process involves equipment like the separator, feeding hopper, fan with tubular air ducts. Separation of cotton and cotton seed from cotton is done with double roller ginning machine.



**Processing Cottonseed:** Cottonseed is separated from the lint during the ginning process. The seeds make up about 64% of the raw material, i.e. of seed cotton or KAPAS and Lint makes up approximately 34% of the raw material, i.e. of seed cotton or KAPAS. Cotton seeds are very valuable and are used for a variety of products such as cotton seed oil, and the remaining excreta which is cotton seed oil cake is used as cattle feed. The separated cotton seeds are transported out of the ginning Unit and lint of cotton received from the ginning machine are transported for further cleaning process through conveyors. The cotton seed produced is dispatched loosely to our customers and sometimes even packed.



### STEP: 3 CLEANING



The lint cotton received from the ginning machine is sent for further cleaning. This process involves cleaning of the impurities; therefore it runs through cleaning equipment to remove leaf trash, sticks and other foreign matter.

#### **STEP: 4 PRESSING**



Cotton fibers are pressed to Bales by using the Hydraulic pressing machine. This step involves pressing of Lint cotton. In this process Lint cotton is used as Raw materials. After pressing is completed the bale is tightened and covered fully with cloth, after that the bale is weighed and kept in the hall safely.

#### **Step: 5 Packaging, Storing and Dispatch**



After pressing process, cotton bales are covered by protective cloth and stored on platform for dispatch. Cotton seeds are sold loosely to customers and sometimes packed in HDPE bags.



## PLANT & MACHINERY

Our Production unit is equipped with all required machinery to achieve targeted production with various models of cotton storage with feeding machines, Lint belt conveyor plant, seed cotton pre-cleaner machine, Double Roller Ginning Machine, Auto feeder, cotton seed conveyor, elevators for cotton seeds, cotton seed cleaning machine, Cotton Bailing Press, Hydraulic cotton bailing press, Lint cleaner jumbo machine, Automatic Cotton Feeding system, raw cotton conveyor belt, cables, control panel, weigh bridge scale etc.

## TECHNOLOGY

Our Company is having 48 Ginning machines for ginning and pressing operations, pre cleaner, lint cleaner, kapas conveyor system, lint conveyor system, hydraulic cotton bailing press, conveyor for seed, electrical infrastructure, humidifier and weigh bridge etc.

## COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

## MARKETING AND DISTRIBUTION ARRANGEMENT

Our success lies in the strength of our relationship with our customers who have been associated with our company for continues period. We get the orders from our customers who are domestic as well as overseas based. Our Promoter Director through their experience and good relations with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

We are ISO 9001:2015 certified company by OCI (Optimum Certifications INC.). We are also member of Better Cotton Initiatives (Independent Organization) which promotes better standards in cotton farming and practices across various countries. We have also registered our company under Textile Certification Global Organic Textile Standard (GOTS) Standard.

In India, our customers are located in the state of Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. We export our products directly and through Merchandise exports in few countries namely Pakistan, Bangladesh and Vietnam.

## COMPETITION

We operate in a highly competitive market and there are large numbers of players in organized sector. Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price, and timely delivery. Competition emerges not only from small but also from big regional and National and international players. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing producers would further intensify competition.

## UTILITIES AND INFRASTRUCTURE FACILITIES LIKE RAW MATERIAL, WATER ETC.

### RAW MATERIAL

#### KAPAS (SEED COTTON)

The basic raw material required for the production of Cotton Bales and cotton seed is Kapas (Raw Cotton). The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from various states namely Gujarat, Maharashtra and Andhra Pradesh.

Kapas (Seed Cotton) is procured from Farmers, APMC (The Agriculture Produce Market Committee) markets of various cities and traders.



### WATER

Our water requirement is fulfilled through tube well/boring facility. Hence water requirement at our production unit is met from own bore well. We do not require ample quantity of water, as we reuse the water up to optimum level.

## POWER

We require power supply for production our products and to meet our requirement, we have been sanctioned load of 325 KVAH from UGVCL (Uttar Gujarat Vij Company Limited). We have not installed generator for power back up.

## LOGISTIC

We own tractors and loaders for procurement of Raw Materials from suppliers and for sale we exclusively rely on third party transporters for delivery of our products to our customers.

## PACKING

We use plastic trap and cotton cloth for packing of cotton bales to protect the product in transit. HDPE bags are used for packing cotton seeds. Packing material is procured from local market.

## HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the Cotton Industry. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. As on September 30, 2018, we have the total strength of 23 Employees excluding Contract Labors in various departments. The details of which is given below:

Sr. No.	Particulars	Employees excluding Contract Labors
1.	Admin Staff	7
<b>Production</b>		
2.	Skilled Workers/Employees	6
3.	Unskilled Workers	10
	<b>Total</b>	<b>23</b>

We have given work order to Mr. Umesh Pradipkumar Joshi on October 15, 2018 for 1 year for supply of Contract Labours as per our requirement.

Further, we have not experienced any strikes, work stoppages, labor disputes or actions by or with our employees, and we have cordial relationship with our employees.

## DETAILS OF IMMOVABLE PROPERTY

The Details of the Owned Property are given below:


Sr. No.	Description of Property	Name of the Seller	Date of Execution of Agreement	Consideration (₹ in Lakh)	Area (In Sq. Mts.)	Usage
1.	Survey No 800, Plot No. 357, Industrial Non Agricultural open land.	Patel Vinodkumar Ranchoddas Patel Vinaben Vinodkumar Patel Rahul Mahendrabhai Patel Chetan Mahendrabhai	July 20, 2013	₹ 31.91	390100	Factory – Producti on Unit, Warehou se & Register ed Office
2.	Survey No 834, Plot No 358 and Non Agricultural open land	Mr. Jani Hareshkumar Nathalal	September 27, 2013	₹ 28.04	342800	
3.	Survey No. 844, Plot No 324 and Industrial Non Agricultural open land	Patel Ashokkumar Maneklal Patel Shirishkumar Maneklal	September 30, 2013	₹ 21.45	263200	



Sr. No.	Description of Property	Name of the Seller	Date of Execution of Agreement	Consideration (₹ in Lakh)	Area (In Sq. Mts.)	Usage
		Patel Jagdishkumar Maneklal Patel Mahendrakumar Maneklal				

#### INTELLECTUAL PROPERTY

Our Company is using following Intellectual Property, which is name of one of our Promoter Mr. Kushal Nitinbhai Patel for which no formal agreement has been executed.

Sr. No.	Authority Granting Approval	Application No.	Applicable Laws/Rules	Nature of Approvals	Status
1.	Trade Mark Registry, Government of India	3917633 dated August 16, 2018	Trade Marks Act, 1999	Use of following Mark as Registered Trademark under Class 22 - Raw Cotton And Cotton Processed Products 	Accepted & Advertised in Journal No. : 1869-0 dated October 1, 2018

#### INDEBTEDNESS

Our Company is availing following Facilities from Oriental Bank of Commerce, details of which are as under:

Sr. No.	Sanction Amount	Purpose	Amount O/s as on June 30, 2018	Interest / Commission Rate per annum	Security	Period & Repayment Schedule
1.	Facility No. 1:- ₹ 1100.00 Lakh with sanction of additional peak CC Limit of ₹ 400.00 Lakh.	Working Capital	₹ 1020.66 Lakh	9.85%	<p><b>Primary:-</b></p> <p>Hypothecation of entire current assets including Finished Goods, Raw Material Stock, Stores &amp; Spares Sundry Debtors.</p> <p><b>Collateral Security:-</b></p> <ol style="list-style-type: none"> <li>Equitable Mortgage of Factory Land &amp; Building at Survey No. 324, 357 &amp; 358 Village Borisana, Talika Kadi, Distt Mehsana.</li> <li>Extension of EM at Survey No. 202, Chattral kadi highway, karnnagar, kadi</li> <li>Extension of EM at B-303, Ashutosh Avenue, Near St Xavier School, Loyala Hal Naranpura</li> </ol>	On Demand

Sr. No.	Sanction Amount	Purpose	Amount O/s as on June 30, 2018	Interest / Commission Rate per annum	Security	Period & Repayment Schedule
					Ahmedabad. <b>Personal/ Corporate Guarantee:</b> 1. Mr. Nitinkumar G Patel 2. Mr. Amitkumar G Patel 3. Mr. Kushalkumar N Patel 4. Smt. Geetaben Patel 5. M/s Aditya Oil Industries	
	Facility No. 2:- 375.00	Term Loan for Plant & Machinery	₹ 140.00 Lakh	10.35%	<b>Primary :</b> Equitable Mortgage of Factory Land & Building at Survey No. 324, 357 & 358 Village Borisana, Talika Kadi, Distt Mehsana.  <b>Collatera Security:</b> 1)Extension of Equitable Mortgage of Land and Building at Survey No. 202, Near Ambika Way Bridge, Near Ramdevpir Temple, Chattral, kadi highway, karnnagar, Kadi, Distt Mahesana 2)Extention of Equitable Mortgage of Residential Flat at B-303, at 3rd Floor of Ashutosh Avenue, Near St Xavier School, Loyala Hall, Naranpura Ahmedabad	Repayment will be in 75 (Seventy Five) equal monthly installments of ₹ 5.00 Lakh after 6 months moratorium period.

## INSURANCE

Presently, our Company has taken following Insurance Policies to insure its Assets and Employees.

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured (₹ in Lakh)	Premium Paid (in ₹)
1.	Tata-AIG General Insurance Company Ltd.	Axita Cotton Private Limited	Marine Cargo Open Policy	From December 04, 2017 to December 03, 2018	Covers all risk excluding shipments to/from Indian government prohibited or U.N. sanctioned countries including Iraq.	086507659900	2000.00	₹ 70,800
2.	The New India Assurance	Axita Cotton Private	Standard Fire & Special	From April 04, 2018 12:40:48 P.M to 03/04/2019 11:59:59 PM.	Insurance of Plant, Machinery and accessories situated at Sr. No.	1604001118010000073	160.00	₹ 10,385

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured (₹ in Lakh)	Premium Paid (in ₹)
	Company Limited	Limited	Perils Policy		357/358/324, Kadi Thol Road at Borisana, Ta:- Kadi, Dist. Mehsana-382715, Gujarat.			
3.	IFFCO TOKIO General Insurance Company Limited	Axita Cotton Private Limited	Vehicle Insurance	From February 23, 2018 00:00:00 to Midnight on February 22, 2019 23:59:59.	Insurance of ICV Class D Fork Lift Truck, 2CC, manufactured in 2018, Engine No. 17180266, Chasis No. F4180206028	25707433	12.00	₹ 15736.24
4.	IFFCO TOKIO General Insurance Company Limited	Axita Cotton Private Limited	Vehicle Insurance	From February 10, 2018 00:00:00 to Midnight on February 09, 2019 23:59:59.	Insurance of Bull Loader having Registration No. GJ/NEW/0114, manufactured in 2018, 2 CC, Engine No. T424051720114, Chasis No. BSAAAJ0000765	25475328	15.50	₹ 18464.50
5.	The New India Assurance Company Limited	Axita Cotton Private Limited	Employees Compensation Insurance	From 24/10/2018 12:00:01 AM to 23/10/2019 11:59:59 PM.	Coverage to following employees:-  Details of Employees with monthly wages up to ₹8000:- 20 Employees (Category: - Cotton Ginning and pressing factories and presses)- cash wages: - 1920000.  Details of Employees with monthly wages above ₹8000:- skilled, unskilled, commercial traveler of cotton industry at location:- Sr. no. 357, Borisana, Kadi, Mehsana, Gujarat-382715.	1604003618010000330	-	₹ 20390

Sr. No.	Name of the Insurance Company	Name of the Insured	Type of policy	Validity Period	Description of cover under the policy	Policy No.	Sum Assured (₹ in Lakh)	Premium Paid (in ₹)
6.	The New India Assurance Company Limited	Axita Cotton Private Limited	Standard Fire & Special Perils Policy	From 24/10/2018 12:00:01 AM To: 23/10/2019 11:59:59 PM.	Insurance of stocks of cotton seeds &/or cotton seed cake &/or cotton seeds washed oil &/or Khol&/or Packing materials, stock and stock in process including raw material finished &/or unfinished goods pertaining to the insured's Oil Mill situated at servey no. 357 Borisana, KadiMahesana-382715.	160400111801000 01468	₹ 300.00	₹ 24780/-
7.	The New India Assurance Company Limited	Axita Cotton Private Limited	Standard Fire & Special Perils Policy	From 24/10/2018 12:00:01 AM To: 23/10/2019 11:59:59 PM.	Insurance of stocks and stock in process situated at servey no. 357 358 kadithol road borisanakadimah esana -382715.	160400111801000 01467	₹500.00	₹ 123900

#### EXPORTS & EXPORTS OBLIGATIONS

As on the date of this Prospectus, our Company does not have any Export Obligation.

For the details of Export Sales of our Company, please refer to “Annexure – P” under the Chapter titled “RESTATED FINANCIAL INFORMATION” on page no. 156 of this Prospectus.

## KEY INDUSTRY REGULATIONS

*The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.*

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with different regulations, see chapter titled “GOVERNMENT APPROVALS” beginning on page no. 190 of this Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

### INDUSTRYSPECIFIC REGULATIONS

#### **Textile Committee Act, 1963 (the “Committee”)**

The Textiles Committee has been established under the Textiles Committee Act, 1963, (No. 41 of 1963), of the Indian Parliament. It replaced the erstwhile Cotton Textiles Fund Committee, constituted under the Cotton Textiles Fund Ordinance, which was promulgated by section 72 of the Government of India Act, 1935. This ordinance provided for the establishment of the Cotton Textiles Fund from the levy of a cess of three per cent on the ex-mill prices of cloth and yarn exported and for the setting up of the Cotton Textiles Fund Committee to administer the Fund. The Fund was to be used for supervising the export of cloth and yarn, and increasing the same of cloth and yarn abroad and generally for the development of technical education and research relating to the cotton textile industry.

With the enactment of the Textiles Committee Act, 1963 the cotton Textiles Fund Ordinance was replaced and the Textiles Committee was established as a statutory body for ensuring the quality of textiles and textile machinery and for looking after matter connected therewith. The functions of the Committee are to ensure by such measures, as it thinks fit, standard qualities of textiles, both for internal market and for export, and the manufacture and use of standard qualities of textile machinery. The Committee has, in its ambit a vast range of functions and activities like scientific, technological and economic research, export promotion, inspection, testing, establishment of laboratories and test houses, collection of statistics for market study and research and rendering advice on all matters relating to the development of textile industry and production of textile machinery.

#### **Textiles Committee (Cess) Rules, 1975**

In exercise of the powers conferred by section 22 of the said Act, the Central Government has prescribed Textiles Committee (Cess) Rules, 1975. As per Section 5A(1) of the Textiles Committee Act, a Cess in the nature of excise duty has been imposed on all textiles and textile machinery manufactured in India. The proceeds of the cess shall, immediately after the encashment of the crossed cheques and crossed Demand Drafts received in that behalf, reduced by the cost of collection as determined by the Central Government be remitted by the Committee into the Reserve Bank of India for being credited to the Consolidated Fund of India.

As per Section 5E of the Act, by notification, the following categories of textile items have been exempted from payment of Cess leviable under Section 5 of the Act. All types of waste whatever description i.e. Yarn Waste, Hard Waste, Cotton Waste, Woollen Waste, Art-Silk Waste etc. The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

#### **Gujarat Textile Policy, 2012**

With the object of continuing leadership position in textile sector, State Government of Gujarat issued Gujarat Textile Policy, 2012. The State Government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. Eligible entities will be provided various incentives under the different schemes of the policy. Major benefits under the policy are as follows:

- Starting cotton spinning and weaving parks around cotton growing areas;
- Interest subsidy for value-addition chain from ginning to spinning, weaving, processing, garment manufacturing and technology up-gradation;

- Refund of VAT on expansion of existing and new units in spinning and readymade garments;
- Power tariff concession for new cotton spinning and weaving units;
- Financial assistance to skill development centres for textile industry;
- Financial assistance for technology acquisition for value chain; and
- Support for energy and water conservation and environmental compliance.

### **Textile (Development and Regulation) Order, 2001 (“Textile Order”)**

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of Textiles, Textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

### **Cotton Control Order, 1986 (“Cotton Order”)**

The Cotton Order may specify the maximum quantity of cotton which a manufacturer may have in his possession at any time. The Textile Commissioner may with a view to securing compliance with this Order require any manufacturer to give any information with respect to quantities and varieties of cotton held in his possession, inspect or cause to be inspected any book or other document belonging to the manufacturer; enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

## **STATUTORY LEGISLATIONS**

### **The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made a way to enactment of Companies Act, 2013. The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections 110 have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational and financial aspects of companies. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force.

### **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWWPPR Act has been defined widely to include

government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **Regulation of Foreign Investment in India**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) which prohibit, restrict and regulate, transfer or issue of securities to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the “automatic route” within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits provided under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

### **Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (“MSMED Act”) seeks to facilitate the development of micro, small and medium enterprises. The Union Cabinet has approved amendment to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for classifying MSMEs from current investment in plant and machinery criteria to annual turnover criteria. The purpose of amendment to Section 7 of MSMED Act, 2006 is to encourage ease of doing business, make MSME classification norms growth oriented and align them to new indirect tax regime revolving around Goods & Services Tax (GST). This will define units producing goods and rendering services in terms of annual turnover. It will pave the way for increased direct and indirect employment in the MSE sector of the country.

- a. where the annual turnover does not exceed Rupees Five Crore, an enterprise shall be regarded as a micro enterprise;
- b. where the annual turnover is more than Rupees Five Crore but does not exceed Rupees Seventy Five Crore, an enterprise shall be regarded as a small enterprise;
- c. where the annual turnover is more than Rupees Seventy Five Crore but does not exceed Rupees Two Hundred Fifty Crore, an enterprise shall be regarded as a medium enterprise

The amendment empowers Central Government to vary turnover limits, provided not exceeding thrice the limits specified in Section 7 of MSMED Act by issuing notification.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. The submission of the memorandum by micro and small and medium enterprises engaged in rendering services is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities in accordance with Section 8 of the MSMED Act. The MSMED Act ensures that the buyer of goods or services makes payment for the goods supplied or services rendered to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods or services. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.



## **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

## **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

GST has replaced the following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products.

GST council has mandated the implementation of e way bill under GST from April 1, 2018 for interstate movement and from 1<sup>st</sup> June 2018 for Intra- state Movement of Goods. The E-Way Bill under the GST Regime replaces the Way Bill which was required under the VAT Regime for the movement of Goods. The way bill under the VAT Regime was a physical document which was required to be generated for the movement of goods. The physical document under the VAT Regime has now been replaced with an electronically generated document in the GST Regime.

EWay Bill is an electronic way bill for movement of goods which can be generated on the e-way Bill Portal. Transport of goods of more than ₹ 50,000 (Single Invoice/bill/delivery challan) in value in a vehicle cannot be made by a registered person without an e-way bill. When an e-way bill is generated a unique e-way bill number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

A Registered person or the transporter may choose to generate and carry e-way bill even if the value of goods is less than ₹ 50,000.

The requirement of e-way bills for movement of goods within the States /UT will start from 15<sup>th</sup> April 2018 in a phased manner by grouping the States/UT into four lots. GST Council in the coming days shall announce this arrangement.

## **Value Added Tax (“VAT”)**

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (“the VAT Act”) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

## **Central Sales Tax Act, 1956**



In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

## GENERAL LEGISLATIONS

### **Gujarat Industrial Policy, 2015**

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

### **Legal Metrology Act, 2009**

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Section 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

### **The Sale of Goods Act, 1930 (Sale of Goods)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that

there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **The Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **The Consumer Protection Act, 1986 (COPRA)**

The Consumer Protection Act, 1986 (COPRA) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. COPRA protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Transfer of Property Act, 1882 (“TP Act”)**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Specific Relief Act, 1963**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. “Specific performance” means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

## **OTHER APPLICABLE LAWS**

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made there under provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lockouts, closures, lay-offs and retrenchment.

### **The Factories Act, 1948**

The Factories Act, 1948 (Factories Act) aims at regulating labour employed in factories. A factory is defined as any premises, whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules there under rests on the occupier, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

### **Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time ("EPF Act"), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. The EPF Act applies to all establishments engaged in any industry specified in Schedule I (of the EPF Act) that employ 20 (twenty) or more persons and to any other establishment employing 20 (twenty) or more persons or class of such establishments which the Central Government may specify by a notification.

Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit Linked Insurance Scheme" and "the Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to funds mentioned above, in the manner specified in the EPF Act. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments require to be made under the above-mentioned schemes.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972, as amended from time to time ("**Gratuity Act**"), provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the Central Government may specify by notification.

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965, as amended from time to time ("**Bonus Act**"), provides for payment of bonus based on profit or based on production or productivity, to persons employed in factories or in establishments employing 20 (twenty) or more persons on any day during an accounting year. It ensures that a minimum bonus is payable to every employee regardless of whether the employer has any allocable surplus in the accounting year in which the bonus is payable. Under the Bonus Act, the employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus equal to 8.33% of the salary or wage earned by the employee during the accounting year or Rupees Hundred, whichever is higher. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. Allocable bonus is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

### **The Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the “Apprentices Act”) regulates and controls the programme of training of apprentices and matters connected there with. The term “Apprentice” means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. “Apprenticeship Training” means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **The Workmen Compensation Act, 1923 (“WCA”)**

The Workmen Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 as amended from time to time (“Remuneration Act”) aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/ her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature.

In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961, as amended from time to time (“Maternity Benefit Act”), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. The Maternity Benefit (Amendment) Bill 2016 (the “Amendment Bill”), an amendment to the Maternity Benefit Act, 1961 (“Act”), was passed in Lok Sabha on March 09, 2017, in Rajya Sabha on August 11, 2016 and received an assent from President of India on March 27, 2017.

It applies to all establishments which are factories, mines, plantations, Government establishments, shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government. As per the Act, to be eligible for maternity benefit, a woman must have been working as an employee in an establishment for a period of at least 80 days in the past 12 months. In amended act, the period of paid maternity leave (“Maternity Benefit”) that a woman employee is entitled to has been increased to 26 (twenty six) weeks. Further, the Act previously allowed pregnant women to avail Maternity Benefit for only 6 (six) weeks prior to the date of expected delivery. Now, this period is increased to 8 (eight) weeks. Maternity benefit of 26 weeks can be extended to women who are already under maternity leave at the time of enforcement of this Amendment.

### **Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

### **Industrial Employment (Standing orders) Act, 1946**

The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the labour commissioner.

**Other Laws**

In addition to the above, our Company, being corporate entity, is governed by all the statutes enacted in India and it requires to comply all such statutes to the extent applicable.

## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was incorporated as “Axita Cotton Private Limited” at Ahmedabad on July 16, 2013, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Axita Cotton Limited” and fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad. The Corporate Identification Number of our Company is U17200GJ2013PLC076059.

Before incorporating our company, our Promoters, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel along with other relatives started business under a Partnership Firm named, Aditya Oil Industries (“firm”) in the year 2007. It was formed to start business of production and trading of Seed cotton (“Kapas”), Cotton Seed, Cotton Seed Oil, Cotton cake etc and for which land admeasuring area of 5708 Square Meters was acquired at Chattral, Kadi Road, Mehsana. There were 6 oil expeller installed for producing cotton seed oil in Aditya Oil Industries and the firm has an annual capacity of producing approximately 3153.6 MT/ Per annum of cotton seed oil. After two years, firm was successful in making good profits from production and selling cotton seed oil, promoters expanded business by adding corn oil to their product portfolio by installing machineries for corn oil production in the same space of land. In the year 2011, firm acquired land adjacent to existing land at Kadi and set up the cotton Ginning and Pressing Plant, having installed capacity of processing 26280 MT/ Per annum of seed cotton.

After gaining experience of 2 years in cotton industry, our promoters acquired land admeasuring area of 9961 Square Meteres at Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana and floated our company in the year 2013. Our company was established with the main aim of conducting business of Ginning and Pressing of seed cotton (“Kapas”). Our Company has installed 48 Ginning and Pressing machines which is having capacity of processing 87,600 MT/Per annum of seed cotton. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company.

Our Company is producing cotton bales and cotton seeds. Our Company is producing mainly two varieties of cotton bales namely Shankar-6 and MCU-5/MECH. The production facility of our Company is situated at Kadi in Mahesana District of Gujarat state which is close to the rich cotton growing areas of Maharashtra, Saurashtra and other regions of Gujarat. Our products are sold majorily in the state of Gujarat, Rajasthan, Maharashtra and Madhya Pradesh.

We are also engaged in the business of trading of Kapas, cotton bales and cotton seeds. We are also doing ginning and pressing of Kapas on job work basis. We are ISO 9001:2015 certified company by OCI (Optimum Certifications INC.). We are also member of Better Cotton Initiatives (Independent Organization) which promotes better standards in cotton farming and practices across various countries. We have also registered our company under Textile Certification Global Organic Textile Standard (GOTS) Standard.

Then after in 2015, under leadership of one of our Promoter – Mr. Kushal Nitinbhai Patel started exporting our products through merchandise exporters. From Financial year 2016-2017 onwards, our company also commenced exporting our products directly to few countries namely Pakistan, Bangladesh and Vietnam. During the FY 2016, our promoters again floated a new private limited company named, Axita Exports Private Limited (“AEPL”), a group company, which was incorporated with the aim of exporting of cotton bales to various countries. AEPL exports cotton bales in Bangladesh, Vietnam, China and Pakistan, purchased from our company and also exports locally purchased cotton bales from other suppliers.

The Promoters of our Company Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel have more than one decade of experience in the cotton textile industry. Our Promoters have sound knowledge of production process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to production and marketing of raw cotton, Cotton bales, Cotton seeds and by-products. Our revenue from operation has reached to ₹12327.02 Lakhs in the F.Y. 2017-18 as compared to ₹1736.08 Lakhs in its first financial year after incorporation i.e. F.Y. 2013-14.

### REGISTERED OFFICE:

Registered Office of the Company is presently situated at Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi Mahesana – 382 715. The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:



Date of Change of Registered office	Registered Office		Reason
On Incorporation	303/B Ramesh Co Oper Housing Society Limited, Ashutosh Apartment Avenue, B/h St. Xavier School, Ahmedabad- 380013.		Not Applicable
	Changed from	Changed to	
August 01, 2015	303/B Ramesh Co Oper Housing Society Limited, Ashutosh Apartment Avenue, B/h St. Xavier School, Ahmedabad- 380013.	B-303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyala Hall, Naranpura, Ahmedabad-380013.	Administrative Convenience
August 09, 2018*	B-303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyala Hall, Naranpura, Ahmedabad-380013.	Servey No. 324 357 358 Kadi Thol Road, Borisana, Kadi, Mahesana-382715	Administrative Convenience

\* Form INC-22 for Shifting of registered office w.e.f. August 09, 2018 was improperly filed as "Change within Local limits of city, town or village" instead of "Shift in Registered Office outside local limits of city, town or village, within the same RoC and State".

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### Change of Name

Date of Approval	Particulars	Reason
On Incorporation	Axita Cotton Private Limited	Not Applicable
October 15, 2018	Consequent upon conversion from Private Limited Company to Public Limited Company, the name of the Company was changed from "Axita Cotton Private Limited" to "Axita Cotton Limited"	Expansion of Business

### Authorized Capital

The following changes have been made in the Authorized Capital of our Company since its inception:

Date of Amendment	Particulars
On Incorporation	Authorized Capital of ₹ 1.00 Lakh divided into 10000 Equity Shares of ₹ 10/-
November 26, 2013	Increased in authorized capital from ₹ 1.00 Lakh divided in to 10000 Equity Shares of ₹ 10/- each to ₹ 200.00 Lakh divided in to 2000000 Equity Shares of ₹ 10/- each.
March 25, 2014	Increased in authorized capital from 200.00 Lakh divided in to 2000000 Equity Shares of ₹ 10/- each to ₹ 250.00 Lakh divided in to 2500000 Equity Shares of ₹ 10/- each.
September 8, 2018	Increased in authorized capital from ₹ 250.00 Lakh divided in to 2500000 Equity Shares of ₹ 10/- each to ₹ 700.00 Lakh divided in to 7000000 Equity Shares of ₹ 10/- each.

## MAJOR EVENTS

The major events of the company since its incorporation in the particular year are as under:

Year	Events
2013	Our Company was incorporated as Axita Cotton Private Limited.  Our Company acquired land admeasuring area of 9961 Square Meteres at Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana.  Our Company has installed 48 Ginning and Pressing machines which is having capacity of processing 87,600 MT/Per annum of seed cotton.
2018	Our Company got converted in to Public Limited Company.

## OTHER DETAILS REGARDING OUR COMPANY

For information on our products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to chapters titled “BUSINESS OVERVIEW”, “INDUSTRY OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS” beginning on page nos. 75, 68 and 176 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to chapters titled “OUR MANAGEMENT” and “CAPITAL STRUCTURE” beginning on page nos. 102 and 42 respectively of this Prospectus.

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity and debt, please see the chapters entitled “CAPITAL STRUCTURE” and “RESTATED FINANCIAL STATEMENTS” on page nos. 42 and 121 respectively of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **STRIKES AND LOCK-OUTS**

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order. However, during the F.Y. 2015-16, fire was occurred in our production plant, resulting into loss of operations for few days which affected our performance in the said financial year.

#### **SUBSIDIARIES/HOLDINGS OF THE COMPANY**

Our Company does not have any holding company and nor it has any subsidiary company/(ies).

#### **RAISING OF CAPITAL IN FORM OF EQUITY**

For details of increase in equity capital of our company please refer chapter “CAPITAL STRUCTURE” on page no. 42 of this Prospectus.

#### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the chapter “OUR MANAGEMENT” on Page no. 102 of this Prospectus.

#### **ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS**

There has been no mergers, amalgamation, revaluation of assets etc. with respect to our Company took place since its Incorporation.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Prospectus, the total numbers of equity shareholders are 7 (Seven). For more details on the shareholding of the members, please see the chapter titled “CAPITAL STRUCTURE” at page no. 42 of this Prospectus.

#### **MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. Our Company has not changed its Object since its Incorporation. The objects for which our Company is established are:

*To carry on in India or elsewhere the business of manufacturing, processing, producing, washing, dyeing, ginning, pressing, spinning, weaving, crimping, texturising, carding, bleaching, combing, doubling, finishing, calendering, sizing, colouring, printing, mercerizing, reeling, winding, throwing, embroidering, blending, sorting, gameting, stretching, drying, drawing, cutting, improving, buying, Selling, reselling, importing, exporting, transporting, storing, fabricating,*

*developing, marketing: or supplying, and to act as broker, trader, agent, C & F agent, distributor, representative, consultant, collaborator, adatia, stockiest, liasioner, job worker, export house or otherwise to deal in all types of textile goods, dress materials, fabrics, cloths, yarns, such as nets, matting, hosiery, plastic clothos, water proof fabrics, pavliners, americal clothes, limitation leather and rubber cloths, tents, Marries, newar, ropes. rugs, furnishing cloths, tapestries, curtain cloths, blankets. carpets, carpet backing, gloves, laces, terry fabrics, velvet georgette, gabardine, pashminas, floor cloths, twid, patto, canvas, khaddar, denim, stone wash, suitings, shirting: sarees and other similar items made on powerloom. handloom or oil mills by man made or natural materials like cotton, flax, hemp, linen, wool, nylon: viscose, ramie, polyester, silk, artsilk, rayon, jute, staple fibres, cashmilon, filaments, terecotton. monofilaments, multifilaments, acrylics, polynosic, polypropylene, polymide, polymethane, cellulose, dropping, spun or other fibrous substances or any combination (hereof available at present and as may be invented in future.*

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY**

There have been no changes in the activities of our Company during the preceding five years from the date of this Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

#### **SHAREHOLDERS' AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of filing this Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any joint venture agreement as on the date of this Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Prospectus.

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Prospectus.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, at least two thirds of whom shall be liable to retire by rotation. Our Company currently has 6 (Six) directors on our Board out of which 3 (Three) are Executive Directors and 3 (Three) are Independent Directors.

1. Mr. Nitinbhai Govindbhai Patel	Chairman & Managing Director
2. Mr. Kushal Nitinbhai Patel	Managing Director
3. Mr. Amitkumar Govindbhai Patel	Whole-Time Director
4. Ms. Diptiben Hemantkumar Patel	Independent Director
5. Mr. Rakesh Mahendrakumar Patel	Independent Director
6. Mr. Dhruven Shaileshbhai Patel	Independent Director

The Following table sets forth details regarding the Board of Directors as of the date of this Prospectus:-

MR. NITINBHAI GOVINDBHAI PATEL	
<b>Father's Name</b>	Mr. Govindbhai Ambalal Patel
<b>DIN</b>	06626646
<b>Date of Birth</b>	January 27, 1965
<b>Age</b>	53 years
<b>Designation</b>	Chairman & Managing Director
<b>Status</b>	Executive & Non Independent
<b>Qualification</b>	S.S.C (Senior Secondary Class)
<b>No. of Years of Experience</b>	10 years into Oil Industries and more than 7 years in Cotton Industries
<b>Address</b>	B/303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyola Hall, Naranpura, Ahmedabad – 380 013, Gujarat, India.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after appointed as Chairman and Managing Director for a new term of 5 years w.e.f. October 16, 2018.
<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 16, 2018, appointment liable for retirement by rotations.
<b>Other Directorships</b>	Axita Exports Private Limited
MR. KUSHAL NITINBHAI PATEL	
<b>Father's Name</b>	Mr. Nitinbhai Govindbhai Patel
<b>DIN</b>	06626639
<b>Date of Birth</b>	November 27, 1988
<b>Age</b>	30 Years
<b>Designation</b>	Managing Director
<b>Status</b>	Executive & Non Independent
<b>Qualification</b>	Bachelor of Pharmacy
<b>No. of Years of Experience</b>	Experience of more than 7 Years into family run businesses.
<b>Address</b>	B/303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyola Hall, Naranpura, Ahmedabad – 380 013, Gujarat, India.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after appointed as Managing Director for new term of five years w.e.f October 16, 2018.
<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 16, 2018, appointment liable for retirement by rotations.
<b>Other Directorships</b>	Axita Exports Private Limited

<b>MR. AMITKUMAR GOVINDBHAI PATEL</b>	
<b>Father's Name</b>	Mr. Govindbhai Ambalal Patel
<b>DIN</b>	06626585
<b>Date of Birth</b>	September 2, 1969
<b>Age</b>	49 Years
<b>Designation</b>	Whole-Time Director
<b>Status</b>	Executive & Non Independent
<b>Qualification</b>	Bachelor of Commerce
<b>No. of Years of Experience</b>	Experience of more than 25 Years into family run businesses.
<b>Address</b>	Narayan Bhuvan, Kailas Kunj Soc., Behind Lal Bunglow, Ellisbridge, Ahmedabad – 380 006
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after his designation was changed to Whole-Time Director of Company w.e.f. October 16, 2018.
<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 16, 2018, appointment liable for retirement by rotations.
<b>Other Directorships</b>	-
<b>MRS. DIPTIBEN HEMANTKUMAR PATEL</b>	
<b>Father's Name</b>	Mr. Navnitlal Ranchhodlal Patel
<b>DIN</b>	00111081
<b>Date of Birth</b>	February 9, 1962
<b>Age</b>	56 Years
<b>Designation</b>	Independent
<b>Status</b>	Non-Executive & Independent
<b>Qualification</b>	Bachelor of Arts
<b>No. of Years of Experience</b>	Overall experience of more than 14 Years Human Resource activities.
<b>Address</b>	Shivranjni Cross Road, Satellite, 67, Shivranjni Society, Ahmedabad – 380 015, Gujarat.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as an Independent Director of Company w.e.f. October 18, 2018.
<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 18, 2018, appointment not liable for retirement by rotations.
<b>Other Directorships</b>	1. Shashwat Electricals Private Limited 2. Polycoat Electra Services (India)Private Limited
<b>MR. RAKESH MAHENDRAKUMAR PATEL</b>	
<b>Father's Name</b>	Mr. Mahendrakumar Jayantilal Patel
<b>DIN</b>	08251021
<b>Date of Birth</b>	January 12, 1969
<b>Age</b>	49 Years
<b>Designation</b>	Independent
<b>Status</b>	Non-Executive & Independent
<b>Qualification</b>	(HSC) Higher Secondary Class
<b>No. of Years of Experience</b>	Experience of almost 25 Years being a store in charge.
<b>Address</b>	E-15, Sanskrut Flat, B/h Alkapuri Society, Ghatlodia, Ahmedabad – 380 061.
<b>Occupation</b>	Service
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as an Independent Director of Company w.e.f. October 18, 2018.

<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 18, 2018, appointment not liable for retirement by rotations.
<b>Other Directorships</b>	-
<b>MR. DHRUVEN SHAILESHBHAI PATEL</b>	
<b>Father's Name</b>	Mr. Shaileshbhai Popatlal Patel
<b>DIN</b>	08245083
<b>Date of Birth</b>	September 19, 1988
<b>Age</b>	30 Years
<b>Designation</b>	Independent
<b>Status</b>	Non-Executive & Independent
<b>Qualification</b>	Bachelor of Commerce
<b>No. of Years of Experience</b>	Experience of almost 8 Years in the field of manufacturing of pet bottle.
<b>Address</b>	17, Samruddhi Bunglows – Part – 1, Thaltej – Silaj Road, Opp. Sahjanand Bunglows, Thaltej Ahmedabad – 380 059, Gujarat.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	Appointed as an Independent Director of Company w.e.f. October 18, 2018.
<b>Term of Appointment</b>	Holds office for a period of 5 years w.e.f. October 18, 2018, appointment not liable for retirement by rotations.
<b>Other Directorships</b>	-

As on the date of the Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### RELATIONSHIP BETWEEN THE DIRECTORS

There is no relationship between any of the Directors of our Company except the following relationship:-

Name of Director	Designation	Relation
Mr. Nitinbhai Govindbhai Patel	Promoter Cum Chairman & Managing Director	Father of our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel
		Brother of our Promoter cum Whole-Time Director, Mr. Amitkumar Govindbhai Patel

Name of Director	Designation	Relation
Mr. Kushal Nitinbhai Patel	Promoter Cum Managing Director	Son of Our Promoter Cum Chairman & Managing Director, Mr. Nitinbhai Govindbhai Patel
		Nephew of Our Promoter Cum Whole Time Director, Mr. Amitkumar Govindbhai Patel
Mr. Amitkumar Govindbhai Patel	Promoter Cum Whole Time Director	Brother of Our Promoter Cum Chairman & Managing Director, Mr. Nitinbhai Govindbhai Patel
		Uncle of Our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

## SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed although their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

## BORROWING POWERS OF THE BOARD OF DIRECTORS

The shareholders of the Company, through a special resolution passed at the Extra-ordinary General Meeting held on October 18, 2018 authorized our Board to borrow monies, together with monies already borrowed by us, up to ₹ 10,000.00 Lakh (Rupees Ten Thousands Lakh Only) if the aggregate for the time being of the paid-up capital of the Company and its free reserves is less than ₹ 10,000.00 Lakh (Rupees Ten Thousands Lakh Only).

## BRIEF PROFILE OF OUR DIRECTORS

### MR. NITINBHAI GOVINDBHAI PATEL

Mr. Nitinbhai Govindbhai Patel, aged 53 years is a Promoter Cum Managing Director of the Company since inception. Further he is appointed as a Chairman cum Managing Director of the Company for 5 years w.e.f. October 16, 2018. He has a rich experience of more than 10 years into Oil Industries and more than 7 years in Cotton Industries. In the year 2007, he along with other partners established Aditya Oil Industries to manufacture Cotton Seed, Oil, Cotton cake etc. He is actively involved in managing, planning and executing manufacturing process and to achieve desired targets. He is the guiding force behind all the corporate decisions and is responsible for the entire Business operations of the Company since his appointment.

### MR. KUSHAL NITINBHAI PATEL

Mr. Kushal Nitinbhai Patel, aged 30 years, holds Degree of Bachelor of Pharmacy from Gujarat University. He was appointed as Promoter Cum Managing Director of the company at the time of Incorporation of the Company and then he is reappointed as Managing Director of the Company for a fresh term of 5 years w.e.f. October 16, 2018. He has an experience of more than 7 years in the family business with respect to production, planning and sales.

### MR. AMITKUMAR GOVINDBHAI PATEL

Mr. Amitkumar Govindbhai Patel, aged 49 years is a Bachelor of Commerce from Gujarat University. He was appointed as a Promoter Cum Managing Director since inception and then he was re-designated as Promoter Cum Whole-Time Director w.e.f. October 16, 2018. He has an experience of almost 25 years in the family run Businesses with respect to all aspects connected with Accountancy and Finance.



### **MRS. DIPTIBEN HEMANTKUMAR PATEL**

Mrs. Diptiben Hemantkumar Patel, aged 56 Years is appointed as an Independent Director of the Company w.e.f. October 18, 2018. Her educational Qualification is Bachelor of Arts from Gujarat University. She has an overall experience of almost 14 Years and currently she is, being a director, engaged in managing Human Resouce Activities of various companies.

### **MR. RAKESH MAHENDRAKUMAR PATEL**

Mr. Rakesh Mahendrakumar Patel, aged 49 Years is appointed as an Independent Director of the Company w.e.f. October 18, 2018. He has an overall experience of more than 25 Years as a “store in charge” and “purchaser” in various entities.

### **MR. DHRUVEN PATEL**

Mr. Dhruven Patel, aged 30 Years is appointed as an Independent Director of the Company w.e.f. October 18, 2018. His educational Qualification is Bachelor of Commerce from Gujarat University. He has an Experience of almost 8 years in manufacturing of Pet Bottle. He run his proprietorship named “Shreenath Plast” under which, he conducts business of manufacturing and exporting of pet bottle.

### **COMPENSATION AND BENEFITS TO THE CHAIRMAN AND MANAGING DIRECTOR AND WHOLE TIME DIRECTOR ARE AS FOLLOWS:-**

Name	Mr. Nitinbhai Govindbhai Patel	Mr. Kushal Nitinbhai Patel	Mr. Amitkumar Govindbhai Patel
Designation	Chairman & Managing Director	Managing Director	Whole Time Director
Date of Appointment/ Change in Designation	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after appointed as Chairman and Managing Director for a new term of 5 years w.e.f. October 16, 2018.	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after appointed as Managing Director for new term of five years w.e.f. October 16, 2018.	Appointed as a Managing Director since Inception, i.e. from July 16, 2013. Then after his designation was changed to Whole-Time Director of Company w.e.f. October 16, 2018.
Period	5 Years, Liable to retire by rotation	5 Years, Liable to retire by rotation	5 Years, Liable to retire by rotation
Salary	Basic Salary up to ₹ 2,00,000/- per month for a period of five years from the date of appointment with an increment of 10% every year.	Basic Salary up to ₹ 2,00,000/- per month for a period of five years from the date of appointment with an increment of 10% every year.	Basic Salary up to ₹ 2,00,000/- per month for a period of five years from the date of appointment with an increment of 10% every year.
Bonus	-	-	-
Perquisite/Benefits	-	-	-
Compensation/ remuneration paid during the F.Y. 2017-18	₹ 18.00 Lakh	₹ 18.00 Lakh	₹ 18.00 Lakh

### **SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS**

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. At present, our company has not proposed any payment of sitting fees to our non-executive directors. However, we may decide to pay sitting fees later on in the manner provided under Companies Act, 2013.

### **SHAREHOLDING OF DIRECTORS**

The shareholding of our directors as on the date of this Prospectus is as follows:

Sr. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Nitinbhai Govindbhai Patel	1785500	Executive Non Independent

Sr. No.	Name of Directors	No. Equity Shares held	Category/ Status
2.	Mr. Kushal Nitinbhai Patel	1998524	Executive Non Independent
3.	Mr. Amitkumar Govindbhai Patel	712200	Executive Non Independent

## INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under “Annexure – T” – RELATED PARTY TRANSACTION” on page no. 164 of this Prospectus under the chapter titled “RESTATED FINANCIAL INFORMATION”, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Prospectus in which our directors are interested directly or indirectly.

## CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Parth Mahendrakumar Patel	August 24, 2018	Appointment	Appointed as Non-Executive Independent Director w.e.f. August 24, 2018
Mr. Rajendra Baldevbhai Patel	August 24, 2018	Appointment	Appointed as Non-Executive Independent Director w.e.f. August 24, 2018
Mrs. Dipti Hematkumar Patel	August 24, 2018	Appointment	Appointed as Non-Executive Independent Director w.e.f. August 24, 2018
Mr. Parth Mahendrakumar Patel	September 10, 2018	Cessation	Resigned from Directorship w.e.f. September 10, 2018.
Mr. Rajendra Baldevbhai Patel	September 10, 2018	Cessation	Resigned from Directorship w.e.f. September 10, 2018.
Mrs. Dipti Hematkumar Patel	September 10, 2018	Cessation	Resigned from Directorship w.e.f. September 10, 2018.
Mr. Nitinbhai Govindbhai Patel	October 16, 2018	Change in Designation	Appointed as Chairman and Managing Director for a new term of 5 years w.e.f. October 16, 2018.
Mr. Kushal Nitinbhai Patel	October 16, 2018	Re-appointment	Re-appointed as Managing Director for new term of five years w.e.f. October 16, 2018.
Mr. Amitkumar Govindbhai Patel	October 16, 2018	Change in Designation	Designation changed to Whole-Time Director of Company w.e.f. October 16, 2018
Mrs. Diptiben Hemantkumar Patel	October 18, 2018	Appointment	Appointed as an Independent Director of Company w.e.f. October 18, 2018.
Mr. Rakesh Mahendrakumar Patel	October 18, 2018	Appointment	Appointed as an Independent Director of Company w.e.f. October 18, 2018.
Mr. Dhruven Shaileshbhai Patel	October 18, 2018	Appointment	Appointed as an Independent Director of Company w.e.f. October 18, 2018.

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i)

of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Composition of Board of Directors

Currently the Board has 6 (Six) Directors. In compliance with the requirements of Companies Act, 2013, our Company has 3 (Three) Promoter – Executive Directors and 3 (Three) Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of Directors	Designation	Status	DIN
1.	Mr. Nitinbhai Govindbhai Patel	Chairman & Managing Director	Executive & Non-Independent	06626646
2.	Mr. Kushal Nitinbhai Patel	Managing Director	Executive & Non-Independent	06626639
3.	Mr. Amitkumar Govindbhai Patel	Whole Time Director	Executive & Non-Independent	06626585
4.	Mrs. Diptiben Hemantkumar Patel	Independent Director	Non-Executive & Independent	00111081
5.	Mr. Rakesh Mahendrakumar Patel	Independent Director	Non-Executive & Independent	08251021
6.	Mr. Dhruven Shaileshbhai Patel	Independent Director	Non-Executive & Independent	08245083

### Constitution of Committees

Our company has constituted the following Committees of the Board;

- Audit Committee;**
- Stakeholders Relationship Committee; and**
- Nomination and Remuneration Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

#### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 26, 2018, constituted an Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Dhruven Shaileshbhai Patel	Chairman	Independent Director
Mrs. Diptiben Hemantkumar Patel	Member	Independent Director
Mr. Amitkumar Govindbhai Patel	Member	Whole Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of Reference

The Role of Audit Committee not limited to but includes:-

- The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;

- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party;
 

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;

Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
- v. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

#### **Review of Information**

- i. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the Internal Auditor.

#### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Quorum and Meetings**

The audit committee shall meet as and when require to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

#### **2. Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 26, 2018, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Dhruven Shaileshbhai Patel	Chairman	Independent Director
Mr. Rakesh Mahendrakumar Patel	Member	Independent Director
Mr. Amitkumar Govindbhai Patel	Member	Whole Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of Reference

To supervise and ensure;

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- Issue duplicate/split/consolidated share certificates;
- Dematerialization/Rematerialization of Share;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

#### Quorum and Meetings

The Stakeholders Relationship Committee shall meet as and when require to discuss and approve the items included in its role. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

### 3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 26, 2018, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Dhruven Shaileshbhai Patel	Chairperson	Independent Director
Mr. Rakesh Mahendrakumar Patel	Member	Independent Director
Mrs. Diptiben Hemantkumar Patel	Member	Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of reference

#### Role of Nomination and Remuneration Committee not limited to but includes:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

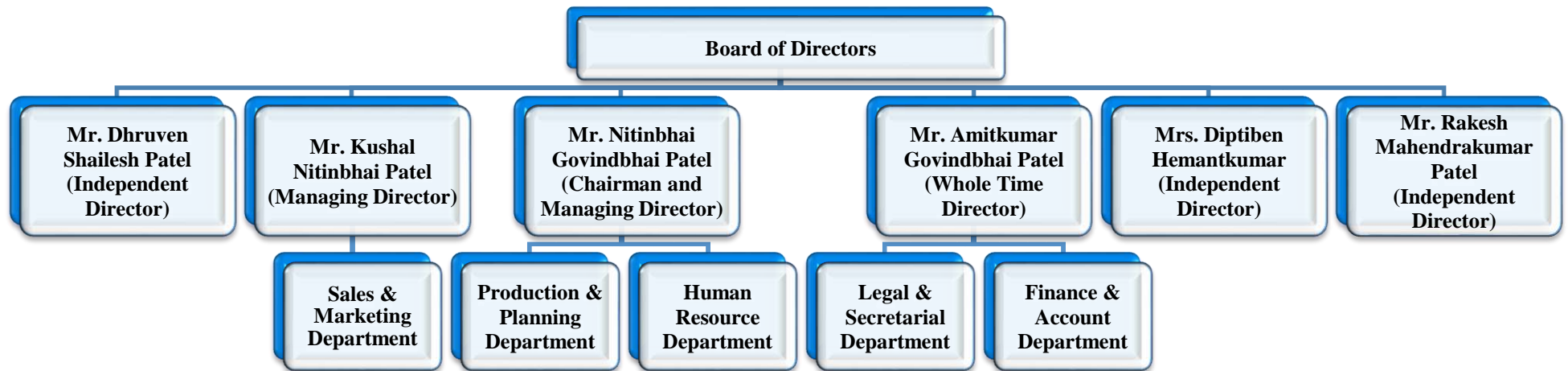
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

### **Quorum and Meetings**

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

## **MANAGEMENT ORGANIZATION STRUCTURE**

The Management Organization Structure of the company is depicted from the following chart;





## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2017-18) (₹ in Lakhs)
<b>Name</b>	Mr. Deepakkumar Kushalchandra Chaubisa	Bachelor of Commerce and Company Secretary	Premier Synthetics Limited	N.A.
<b>Designation</b>	Company Secretary & Compliance Officer			
<b>Date of Appointment</b>	October 01, 2018			
<b>Overall Experience</b>	Mr. Deepakkumar Kushalchandra Chaubisa has joined our Company as Company Secretary and Compliance officer w.e.f. October 01, 2018. He holds degree of Bachelor of Commerce and is an Associate Member of Institute of Company Secretaries of India. He has an overall experience of around 2 Years being a Company Secretary & Compliance Officer of Premier Synthetics Limited. He is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the board of directors are implemented.			
<b>Name</b>	Ms. Riya Amit Patel	Master of Commerce	N.A.	₹ 3.02
<b>Designation</b>	Chief Finance Officer			
<b>Date of Appointment</b>	October 01, 2018			
<b>Overall Experience</b>	Ms. Riya Amit Patel was appointed as “Accountant” in our company in April 2016. Then after she is promoted to the post of Chief Finance Officer from October 01, 2018. He holds degree of Master of Commerce from Gujarat University. She has an overall experience of more than 1 Year in the field of accounts and finance.			

## BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

## CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Prospectus, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Deepakkumar Kushalchandra Chaubisa	October 1, 2018	Appointment	Appointed as Company Secretary and Compliance Officer w.e.f. October 1, 2018.
Ms. Riya Amit Patel	October 1, 2018	Appointment	Appointed as Chief Financial Officer w.e.f. October 1, 2018.
Mr. Nitinbhai Govindbhai Patel	October 16, 2018	Change in Designation	Appointed as Chairman and Managing Director for a new term of 5 years w.e.f. October 16, 2018.
Mr. Kushal Nitinbhai Patel	October 16, 2018	Re-appointment	Re-appointed as Managing Director for new term of five years w.e.f. October 16, 2018.
Mr. Amitkumar Govindbhai Patel	October 16, 2018	Change in Designation	Designation changed to Whole-Time Director of Company w.e.f. October 16, 2018

## EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Prospectus, our company does not have any ESOP Scheme for its employees.

## RELATION OF THE KEY MANAGERIAL PERSONNEL WITH OUR PROMOTERS/ DIRECTORS

Name of Key Managerial Personnel	Designation	Relation
Mr. Nitinbhai Govindbhai Patel	Promoter Cum Chairman & Managing Director	Father of our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel
		Brother of our Promoter cum Whole-Time Director, Mr. Amitkumar Govindbhai Patel
		Uncle of our Chief Financial Officer, Ms. Riya Amit Patel
Mr. Kushal Nitinbhai Patel	Managing Director	Son of Our Promoter Cum Chairman & Managing Director, Mr. Nitinbhai Govindbhai Patel
		Nephew of Our Promoter Cum Whole Time Director, Mr. Amitkumar Govindbhai Patel
		Cousin Brother of our Chief Financial Officer, Ms. Riya Amit Patel
Mr. Amitkumar Govindbhai Patel	Promoter Cum Whole Time Director	Brother of Our Promoter Cum Chairman & Managing Director, Mr. Nitinbhai Govindbhai Patel
		Uncle of Our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel
		Father of our Chief Financial Officer, Ms. Riya Amit Patel
Ms. Riya Amit Patel	Chief Financial Officer	Daughter of our Promoter Cum Whole Time Director, Mr. Amitkumar Govindbhai Patel
		Niece of our Promoter Cum Chairman & Managing Director, Mr. Nitinbhai Govindbhai Patel.
		Cousin Sister of Promoter Cum our Managing Director, Mr. Kushal Nitinbhai Patel

## PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any formal service contracts with our company; although they are abide by their terms of appointments and remuneration and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company as per the terms of appointment and remuneration.

## SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

Sr. No.	Name of Key Management Personnel	No. Equity Shares held	Category/ Status
1.	Mr. Nitinbhai Govindbhai Patel	1785500	Executive Non Independent
2.	Mr. Kushal Nitinbhai Patel	1998524	Executive Non Independent
3.	Mr. Amitkumar Govindbhai Patel	712200	Executive Non Independent


## OUR PROMOTERS AND PROMOTERS GROUP


### Promoters of Our Company are;

1. Mr. Nitinbhai Govindbhai Patel
2. Mr. Kushal Nitinbhai Patel
3. Mr. Amitkumar Govindbhai Patel


For details of the Capital build-up of our Promoters in our Company, see chapter titled “CAPITAL STRUCTURE” beginning on page no. 42 of this Prospectus.

The details of our Promoters are as follows:

	<b>MR. NITINBHAI GOVINDBHAI PATEL</b>
	Mr. Nitinbhai Govindbhai Patel, aged 53 years is a Promoter Cum Managing Director of the Company since inception. Further he is appointed as a Chairman cum Managing Director of the Company for 5 years w.e.f. October 16, 2018. He has a rich experience of more than 10 years into Oil Industries and more than 7 years in Cotton Industries. In the year 2007, he along with other partners established Aditya Oil Industries to produce Cotton Seed, Oil, Cotton cake etc. He is actively involved in managing, planning and executing production process and to achieve desired targets. He is the guiding force behind all the corporate decisions and is responsible for the entire Business operations of the Company since his appointment.
<b>Date of Birth</b>	January 27, 1965
<b>Age</b>	53 years
<b>PAN</b>	ACZPP0185C
<b>Passport Number</b>	N8052523
<b>Aadhar Card No.</b>	3493 1021 7904
<b>Driving License</b>	GJ0119990504182
<b>Name of Bank</b>	Oriental Bank of Commerce
<b>Bank Account No.</b>	01572191003027
<b>Educational Qualification</b>	S.S.C (Senior Secondary Class)
<b>Experience in Business</b>	10 years into Oil Industries and more than 7 years in Cotton Industries
<b>Present Residential Address</b>	B/303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyola Hall, Naranpura, Ahmedabad – 380 013, Gujarat, India.
<b>Position/posts held in the past</b>	Appointed as a Managing Director since Incorporation of the Company, i.e. from July 16, 2013. Recently, appointed as Chairman cum Managing Director for a new term of 5 years w.e.f. October 16, 2018.
<b>Directorship held</b>	Axita Exports Private Limited
<b>Other Ventures</b>	M/s. Aditya Oil Industries (Partnership Firm) M/s. Amit Provision Stores (Sole Proprietorship) Nitinbhai Govindbhai Patel HUF

	<b>MR. KUSHAL NITINBHAI PATEL</b>
	Mr. Kushal Nitinbhai Patel, aged 30 years, holds Degree of Bachelor of Pharmacy from Gujarat University. He was appointed as Promoter Cum Managing Director of the company at the time of Incorporation of the Company and then he is reappointed as Managing Director of the Company for a fresh term of 5 years w.e.f. October 16, 2018. He has an experience of more than 7 years in the family business with respect to production, planning and sales.
<b>Date of Birth</b>	November 27, 1988
<b>Age</b>	30 years
<b>PAN</b>	AVBPP2051Q
<b>Passport Number</b>	Z4419324
<b>Aadhar Card No.</b>	5492 4885 6794

<b>Driving License</b>	GJ01/068322/07
<b>Name of Bank</b>	Oriental Bank of Commerce
<b>Bank Account No.</b>	01572191009845
<b>Educational Qualification</b>	Bachelor of Pharmacy
<b>Experience in Business</b>	7 years in the family business with respect to production, planning and sales
<b>Present Residential Address</b>	B/303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyola Hall, Naranpura, Ahmedabad – 380 013, Gujarat, India.
<b>Position/posts held in the past</b>	Appointed as a Managing Director since Incorporation of the Company, i.e. from July 16, 2013. Recently, appointed as Managing Director for new term of five years w.e.f. October 16, 2018.
<b>Directorship held</b>	Axita Exports Private Limited
<b>Other Ventures</b>	M/s. Aditya Oil Industries (Partnership Firm)

	<b>MR. AMITKUMAR GOVINDBHAI PATEL</b>
	Mr. Amitkumar Govindbhai Patel, aged 49 years is a Bachelor of Commerce from Gujarat University. He was appointed as a Promoter Cum Managing Director since inception and then he was re-designated as Whole-Time Director w.e.f. October 16, 2018. He has an experience of almost 25 years in the family run Businesses with respect to all aspects connected with Accountancy and Finance.
<b>Date of Birth</b>	September 2, 1969
<b>Age</b>	49 years
<b>PAN</b>	AETPP8859D
<b>Passport Number</b>	N8045512
<b>Aadhar Card No.</b>	6052 4309 0047
<b>Driving License</b>	GJ01-2010-1040930
<b>Name of Bank</b>	Oriental Bank of Commerce
<b>Bank Account No.</b>	01572191003034
<b>Educational Qualification</b>	Bachelor of Commerce
<b>Experience in Business</b>	25 years in the family run Businesses with respect to all aspects connected with Accountancy and Finance
<b>Present Residential Address</b>	Narayan Bhuvan, Kailas Kunj Soc., Behind Lal Bunglow, Ellisbridge, Ahmedabad – 380 006
<b>Position/posts held in the past</b>	Appointed as a Managing Director since Incorporation of the Company, i.e. from July 16, 2013. Recently, his designation was changed to Whole-Time Director of Company w.e.f. October 16, 2018.
<b>Directorship held</b>	-
<b>Other Ventures</b>	M/s. Aditya Oil Industries (Partnership Firm) M/s. Gita Trading Company (Sole Proprietorship) Amitbhai Govindbhai Patel HUF

## DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters are being submitted to the BSE Limited, stock exchange on which the specified securities are proposed to be listed along with filing of this Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has been no change in the control or management of our Company in last five years.

## INTEREST OF OUR PROMOTERS

- Except as stated in “Annexure – T” - “RELATED PARTY TRANSACTION” on page no. 164 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION” and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoters do not have any other interest in our business.
- Further, our Promoter may be deemed to be interested to the extent of the transactions/payments made by our Company, if any, to the Group Companies/Entities entities and transactions/payments to be made by our Company to the Group Company/Entities. For the payments that are made by our Company to certain Group Company/entities, please refer “Annexure – T” - “RELATED PARTY TRANSACTIONS” on page no. 164 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION”. For the transactions/payments proposed to be held/made by our Company to certain Group Companies/Entities, please refer para titled “Proposed Related Party Transactions with Group/Entities for FY 2018-19 as approved by the Shareholders/Audit Committee” in the section “INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES” appearing on page no. 198 & 199 of this Prospectus.
- Our Promoter, Directors or Group Companies/Entities do not have any interest in any property acquired by our Company in the preceding three years before filing this Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Prospectus.
- We have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Prospectus in which promoter is directly or indirectly interested.

#### **PAYMENT OF BENEFITS TO OUR PROMOTERS**

Except as stated in the “Annexure – T” - “RELATED PARTY TRANSACTIONS” on page no. 164 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION”, there has been no payment of benefits made to our Promoters in the two years preceding the filing of this Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoters Directors or Promoters’ Group towards remunerations as decided by Board of Directors, for further details of payments to promoters/Directors, please refer the para titled “Proposed Related Party Transactions with Group/Entities for FY 2018-19 as approved by the Audit Committee” in the section “INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES” appearing on page no 198 & 199 of this Prospectus.

#### **CONFIRMATIONS**

Our Company and Promoters confirmed that they have not been declared as willful defaulters by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, promoters’ group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, promoters’ group or directors do not have direct or indirect relation with the companies, its promoters and whole time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our promoters or directors are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the chapter title “OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS” appearing on page no. 185 of this Prospectus.

#### **Dissociation of Promoters in the last three year:**

Our Promoters have not disassociated themselves from any Company during the preceding three years.

## RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS

There is no relationship between Promoters of our Company with other Directors except as described below;

Name of Director	Designation	Relation
Mr. Nitinbhai Govindbhai Patel	Promoter Cum Chairman cum Managing Director	Father of our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel
		Brother of our Promoter Cum Whole-Time Director, Mr. Amitbhai Govindbhai Patel
Mr. Kushal Nitinbhai Patel	Promoter Cum Managing Director	Son of Our Promoter Cum Chairman cum Managing Director, Mr. Nitinbhai Govindbhai Patel
		Nephew of Our Promoter Cum Whole-Time Director, Mr. Amitbhai Govindbhai Patel
Mr. Amitbhai Govindbhai Patel	Promoter Cum Whole-Time Director	Brother of our Promoter Cum Chairman cum Managing Director, Mr. Nitinbhai Govindbhai Patel
		Uncle of Our Promoter Cum Managing Director, Mr. Kushal Nitinbhai Patel

## OUR PROMOTERS' GROUP

In addition to our Promoters named above and persons whose shareholding is aggregated under the heading "Shareholding of the Promoters' Group" under the chapter titled "CAPITAL STRUCTURE" on page no. 42 of this Prospectus, the following individuals and entities form a part of the Promoters' Group:

### A. Natural persons who are part of our Individual Promoter Group:

Relationship with Promoter	Mr. Nitinbhai Govindbhai Patel	Mr. Kushal Nitinbhai Patel	Mr. Amitbhai Govindbhai Patel
<b>Father</b>	Mr. Govindbhai AmbalalBhai Patel	Mr. Nitinbhai Govindbhai Patel	Mr. Govindbhai AmbalalBhai Patel
<b>Mother</b>	Mrs. Savitaben Govindbhai Patel	Mrs. Gitaben Nitinbhai Pael	Mrs. Savitaben Govindbhai Patel
<b>Spouse</b>	Mrs. Gitaben Nitinbhai Patel	Mrs. Pooja Kushal Patel	Mrs. Gitaben Amitbhai Patel
<b>Brothers</b>	Mr. Amitkumar Govindbhai Patel	-	Mr. Nitinbhai Govindbhai Patel
<b>Sisters</b>	Mrs. Pritiben Jitendrakumar Patel Mrs. Hinaben B Patel	-	Mrs. Pritiben Jitendrakumar Patel Mrs. Hinaben B Patel
<b>Sons</b>	Mr. Kushal Nitinbhai Patel	-	Mr. Jimit Amitbhai Patel
<b>Daughter</b>	-	-	Ms. Riya Amit Patel
<b>Spouse's Father</b>	Mr. Chandrakant Govindlal Patel	Mr. Dinesh Kumar Sitaram Bhai Patel	Mr. Nathalal B Patel
<b>Spouse's Mother</b>	Mrs. Lilavati C Patel	Mrs. Rekhaben Dineshkumar Patel	Mrs. Champaben Nathalal Patel
<b>Spouse's Brothers</b>	Mr. Hemant C Patel	Mr. Hit Dineshkumar Patel	Mr. Kanaiyalal N Patel
<b>Spouse's Sisters</b>	Mrs. Nalini Nayanbhai Patel	-	-

### B. Companies related to our Promoter Company: Not Applicable

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable
Any Body corporate in which promoter (Body Corporate) holds 10% or more of the equity share capital or which holds 10% or more of the equity share capital of the promoter (Body Corporate).	Not Applicable
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of	Not Applicable



Nature of Relationship	Name of Entities
the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	

**C. Companies, Proprietary concerns, HUF's related to our promoters**

Nature of Relationship	Name of Entities
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	<ol style="list-style-type: none"> <li>1. Axita Exports Private Limited</li> <li>2. Aditya Oil Industries (Partnership Firm)</li> <li>3. Amit Provision Stores (Sole Proprietorship)</li> <li>4. Gita Trading Company (Sole Proprietorship)</li> <li>5. Suchi Developers (Partnership Firm)</li> <li>6. Shreenathji Enterprise (Sole Proprietorship)</li> <li>7. Amit Govindbhai Patel HUF</li> <li>8. Nitinbhai Govindbhai Patel HUF</li> </ol>
Any Body corporate in which Body Corporate as provided above holds ten percent or more of the equity share capital.	Not Applicable
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent.	<ol style="list-style-type: none"> <li>1. Aditya Oil Industries (Partnership Firm)</li> <li>2. Amit Provision Stores (Sole Proprietorship)</li> <li>3. Gita Trading Company (Sole Proprietorship)</li> <li>4. Suchi Developers (Partnership Firm)</li> <li>5. Shreenathji Enterprise (Sole Proprietorship)</li> <li>6. Amit Govindbhai Patel HUF</li> <li>7. Nitinbhai Govindbhai Patel HUF</li> </ol>

**D. List of Persons whose Shareholding is aggregated under the heading "Shareholding of the Promoters' Group"**

Name of Entities	Nature of Relationship
Mr. Krunalbhai Girishkumar Patel	Cousin Brother of Mr. Kushal Patel

For further details on our "Group Entities" refer Chapter titled "INFORMATION WITH RESPECT TO GROUP COMPANIES/ENTITIES" beginning on page no. 193 of this Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Since Incorporation of our Company, no dividend has been declared till date of this Prospectus.

## SECTION IX – FINANCIAL STATEMENTS

### RESTATED FINANCIAL INFORMATION

#### INDEPENDENT AUDITOR’S REPORT ON RESTATED STANDALONE FINANCIALS STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**Axita Cotton Limited,**  
Servey No. 324 357 358, Kadi Thol Road,  
Borisana, Kadi,  
Mahesana – 382 715

Dear Sir,

#### 1. Report on Restated Standalone Financial Statements

We have examined the Restated Standalone Financial Statements of **Axita Cotton Limited** (*hereinafter referred as “the Company”*), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as on June 30, 2018, and Financial Year Ended March 31, 2018, 2017, 2016, 2015 and 2014, The Restated Standalone Summary Statements of Profits and Loss and the Restated Standalone Summary Statement of Cash Flows for the Period ended on June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 and the Summary of Significant Accounting Policies as approved by the Board of Directors of the Company prepared by the management of the company in terms of the requirements of:

- (i) Section 26 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (*hereinafter referred to as the “Act”*) and
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  - (iii) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform (“IPO” or “SME IPO”); and
  - (iv) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI (“The Guidance Note”)
2. The Restated Standalone Summary Statements and Standalone Financial information of the Company have been compiled by the management from the Standalone Financial Statements of the Company, for the Period ended on June 30, 2018, and financial year ended March 31, 2018, 2017, 2016, 2015, and 2014 which have been approved by the Board of Directors.
  3. The Statutory Audit of the Company for the period ended on June 30, 2018 and financial years ended on March 31, 2018, 2017, 2016, 2015, and 2014 have been conducted by M/s. Manish Dave & Co., Chartered Accountants and accordingly, reliance has been placed on the financial information examined by them. We have examined the books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.
  4. We have carried out reviewed and re-audit of the Standalone financial statements for the period ended on June 30, 2018 and financial year ended on March 31, 2018, as required under SEBI regulations.
  5. The Standalone Restated Summary financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

#### 6. Financial Information as per Standalone Audited Financial Statements:

- 1) We have examined:

- a) The attached **Restated Standalone Statement of Assets and Liabilities** of the company, as at June 30, 2018, and as at financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014. (**Annexure I**);
- b) The attached **Restated Standalone Statement of Profits and Losses** of the Company for the Period ended on June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014. (**Annexure II**);
- c) The attached **Restated Standalone Statement of Cash Flows** of the Company for period ended on June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014. (**Annexure III**);
- d) The Significant Accounting Policies adopted by the Company and notes to the **Restated Standalone Financial Statements** along with adjustments on account of audit qualifications / adjustments / regroupings. (**Annexure IV**);

(Collectively hereinafter referred as “**Restated Standalone Financial Statements**” or “**Restated Standalone Summary Statements**”)

- 2) In accordance with the requirements of Act, SEBI ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
  - (i) The “**Restated Standalone Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 are prepared by the Company and approved by the Board of Directors. This Standalone Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The “**Restated Standalone Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for period ended June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 are prepared by the Company and approved by the Board of Directors. This Standalone Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The “**Restated Standalone Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for period ended June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and auditor’s report thereon which have been prepared by Statutory Auditor of the Company for the Period ended June 30, 2018, and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014, we are of the opinion that “**Restated Standalone Financial Statements**” or “**Restated Standalone Summary Statements**” have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b) There are no Extra-ordinary items except as shown in the Restated Standalone Profit & Loss Statement of that need to be disclosed separately in the Restated Standalone Summary Statements.
- c) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies in the Restated Standalone Financial statements.
- e) There are no revaluation reserves, which need to be disclosed separately in the “**Restated Standalone Financial Statements**”.

- f) There are no qualifications in the Audit Reports issued by the us for the financial period/year ended on June 30, 2018, March 31, 2018 which would require adjustments in this Restated Financial Statements of the Company except as follows:

*As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance.*

- g) The Company has not paid dividend on its equity shares during the reporting period.
7. In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, Purushottam Khandelwal & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate No. 011129 dated July 30, 2018 issued by the “Peer Review Board” of the ICAI.

#### 8. Other Financial Information:

- 1) We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended June 30, 2018, and financial years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014.

Restated Standalone Statement of Share Capital, Reserves And Surplus	Annexure – A
Restated Standalone Statement of Long Term And Short Term Borrowings	Annexure – B and B(A) & B(B)
Restated Standalone Statement of Deferred Tax (Assets)/Liabilities	Annexure – C
Restated Standalone Statement of Long Term Provisions	Annexure – D
Restated Standalone Statement of Trade Payables	Annexure – E
Restated Standalone Statement of Other Current Liabilities	Annexure – F
Restated Statement of Short Term Provisions	Annexure - G
Restated Standalone Statement of Fixed Assets	Annexure – H
Restated Standalone Statement of Non-Current Assets	Annexure – I
Restated Standalone Statement of Long-Term Loans And Advances	Annexure – J
Restated Standalone Statement of Inventory	Annexure – K
Restated Standalone Statement of Trade Receivables	Annexure – L
Restated Standalone Statement of Cash & Cash Equivalents	Annexure – M
Restated Standalone Statement of Short-Term Loans And Advances	Annexure – N
Restated Standalone Statement of Other Current Assets	Annexure – O
Restated Standalone Statement of Turnover	Annexure – P
Restated Standalone Statement of Other Income	Annexure – Q
Restated Standalone Statement of Expenses	Annexure – R
Restated Standalone Statement of Mandatory Accounting Ratios	Annexure – S
Restated Standalone Statement of Related party transaction	Annexure – T
Restated Standalone Statement of Capitalization	Annexure –U
Restated Standalone Statement of Tax Shelter	Annexure – V
Restated Standalone Statement of Contingent liabilities	Annexure – W

- 2) The Restated Standalone Financial Information contain all the disclosures required by the SEBI ICDR regulations and disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
- 3) We have carried out Re-audit of the Standalone financial statements for the Period ended 30 June, 2018, and March 31, 2018 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date for any period subsequent to June 30, 2018. Accordingly we do not express any opinion on the financials positions, results or cash flows of the Company as of any date or for any period subsequent to June 30, 2018. We have no responsibility to update our report for events and circumstances occurring after the date of the report. .

- 4) The preparation and presentation of the Standalone Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
- 5) In our opinion, the above financial information contained in Annexure I to III and Annexure A to W of this report read along with the Restated Standalone Statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI ICDR Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
- 6) Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- 7) The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
- 8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 9) Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
**FRN : 123825W**

**Date:** November 1, 2018  
**Place:** Ahmedabad

**CA Mahendra Singh Rao**  
**Partner**  
**Membership No. 154239**

**AXITA COTTON LIMITED**  
**RESTATED BALANCE SHEET**

ANNEXURE – I

(₹ In Lakh)

Particulars		As at June 30, 2018	As at March 31,				
			2018	2017	2016	2015	2014
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>						
1.	Shareholders' Funds						
(a)	Share Capital	250.00	250.00	250.00	250.00	250.00	250.00
(b)	Reserves & Surplus	105.54	72.94	(7.49)	(10.20)	(22.66)	5.85
		<b>355.54</b>	<b>322.94</b>	<b>242.51</b>	<b>239.80</b>	<b>227.34</b>	<b>255.85</b>
2.	Non-Current Liabilities						
(a)	Long Term Borrowings	578.87	590.86	709.46	393.97	346.72	465.78
(b)	Deferred Tax Liabilities (Net)	(2.25)	(1.59)	(1.59)	(0.45)	2.01	4.60
(c)	Long Term Provisions	-	-	-	-	-	-
		<b>576.61</b>	<b>589.26</b>	<b>707.87</b>	<b>393.52</b>	<b>348.73</b>	<b>470.38</b>
3.	Current Liabilities						
(a)	Short Term Borrowings	1,020.66	1,043.34	719.93	664.57	603.12	547.70
(b)	Trade Payables						
	1.Total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises.	457.47	22.53	2.56	5.59	72.25	1.28
(c)	Other Current Liabilities	94.38	90.93	62.88	67.31	62.09	40.48
(d)	Short Term Provisions	51.36	160.49	14.76	16.62	17.26	8.82
		<b>1,623.87</b>	<b>1,317.29</b>	<b>800.13</b>	<b>754.10</b>	<b>754.71</b>	<b>598.29</b>
	<b>Total</b>	<b>2,556.03</b>	<b>2,229.49</b>	<b>1,750.51</b>	<b>1,387.41</b>	<b>1,330.79</b>	<b>1,324.52</b>
<b>B)</b>	<b>ASSETS</b>						
1.	Non-Current Assets						
(a)	Fixed Assets						
	i) Tangible Assets	375.10	385.71	401.04	453.89	510.83	458.89
	ii) Capital Work in Progress	-	-	-	-	-	-
		<b>375.10</b>	<b>385.71</b>	<b>401.04</b>	<b>453.89</b>	<b>510.83</b>	<b>458.89</b>
(b)	Non-Current Investment	-	-	-	-	-	-
(c)	Deferred Tax Assets (Net)	-	-	-	-	-	-

Particulars		As at June 30, 2018	As at March 31,				
			2018	2017	2016	2015	2014
(d)	Long Term Loans and Advances	-	-	-	-	-	-
(e)	Other Non-Current Assets	32.84	33.50	32.99	35.16	33.56	30.74
2.	Current Assets						
(a)	Inventories	354.16	630.42	783.19	554.62	376.67	285.79
(b)	Trade Receivables	1,682.22	1,063.72	514.27	317.60	353.00	454.31
(c)	Cash and Cash equivalents	53.29	26.89	5.40	8.67	41.45	0.31
(d)	Short-Term Loans and Advances	-	-	-	-	-	59.74
(e)	Other Current Assets	58.42	89.25	13.61	17.47	15.28	34.75
		<b>2,148.09</b>	<b>1,810.28</b>	<b>1,316.47</b>	<b>898.37</b>	<b>786.40</b>	<b>834.89</b>
	<b>Total</b>	<b>2,556.03</b>	<b>2,229.49</b>	<b>1,750.51</b>	<b>1,387.41</b>	<b>1,330.79</b>	<b>1,324.53</b>

As per our Report on Even date  
attached,

**Date:** November 1, 2018  
**Place:** Ahmedabad

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
**FRN : 123825W**

**CA Mahendra Singh Rao**  
**Partner**  
**Membership No. 154239**



**AXITA COTTON LIMITED**  
**RESTATED PROFIT AND LOSS STATEMENT**

ANNEXURE – II

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,					
		2018	2017	2016	2015	2014	
1	Revenue From Operation (Gross)	2,116.66	12,345.78	9,023.06	6,808.83	7,691.20	1,736.08
	Less: Excise Duty	-	-	-	-	-	-
	Revenue From Operation (Net)	2,116.66	12,345.78	9,023.06	6,808.83	7,691.20	1,736.08
2	Other Income	4.93	46.58	129.18	67.12	14.15	0.02
3	<b>Total Revenue (1+2)</b>	<b>2,121.59</b>	<b>12,392.36</b>	<b>9,152.24</b>	<b>6,875.95</b>	<b>7,705.35</b>	<b>1,736.10</b>
4	Expenditure						
(a)	Cost of Goods Consumed	1,057.43	8,837.17	5,502.86	5,637.39	6,518.04	1,594.59
(b)	Purchase of Traded Goods	621.43	2,720.39	3,436.49	1,010.65	1,017.92	272.69
(c)	Changes in Inventories of finished goods, work in progress and stock -in-trade	276.25	152.77	(228.56)	(177.95)	(161.44)	(215.23)
(d)	Employee Benefit Expenses	25.30	96.39	73.95	32.11	21.47	7.48
(e)	Finance Cost	46.99	187.82	116.88	116.54	113.82	26.38
(f)	Depreciation and Amortization Expenses	10.61	45.49	54.05	65.95	73.17	12.49
(g)	Other Expenses	34.08	243.09	195.01	174.13	153.47	27.24
5	<b>Total Expenditure 4(a) to 4(g)</b>	<b>2,072.11</b>	<b>12,283.11</b>	<b>9,150.67</b>	<b>6,858.83</b>	<b>7,736.45</b>	<b>1,725.65</b>
6	Profit/(Loss) Before Extra-Ordinary Items and Tax	49.49	109.24	1.57	17.12	(31.10)	10.45
7	Extra-Ordinary Items	-	-	-	7.12	-	-
8	<b>Profit/(Loss) Before Tax (3-5)</b>	<b>49.49</b>	<b>109.24</b>	<b>1.57</b>	<b>9.99</b>	<b>(31.10)</b>	<b>10.45</b>
9	Tax Expense:						
(a)	Tax Expense for Current Year	17.55	27.12	0.30	1.90	-	1.99
(b)	MAT Credit	-	-	(0.30)	(1.90)	-	(1.99)
(c)	Short/(Excess) Provision of Earlier Year	-	-	-	-	-	-
(d)	Deferred Tax	(0.66)	(0.01)	(1.13)	(2.46)	(2.58)	4.60
	Net Current Tax 9(a) to 9 (c )	<b>16.89</b>	<b>27.11</b>	<b>(1.13)</b>	<b>(2.46)</b>	<b>(2.58)</b>	<b>4.60</b>
10	<b>Profit/(Loss) for the Year (6-7)</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>(28.51)</b>	<b>5.85</b>

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
**FRN : 123825W**

**CA Mahendra Singh Rao**  
**Partner**  
**Membership No. 154239**

**Date:** November 1, 2018

**Place:** Ahmedabad

**AXITA COTTON LIMITED**  
**RESTATED CASH FLOW STATEMENT**

ANNEXURE – III

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
<b>A) Cash Flow From Operating Activities :</b>						
Net Profit before tax	49.49	109.24	1.57	9.99	(31.10)	10.45
Adjustment for :						
Depreciation	10.61	45.49	54.05	65.95	73.17	12.49
Interest Paid	46.87	186.66	112.23	113.92	109.00	23.41
Interest on Investments received	-	(2.53)	(3.28)	(6.44)	(14.05)	-
Interest on subsidy	(4.48)	(5.15)	(12.63)	(32.34)	-	-
MAT credit utilized	-	(1.70)	-	-	-	-
Insurance Claim Received	-	-	-	(6.77)	-	-
Loss on Insurance Claim	-	-	-	7.12	-	-
Operating profit before working capital changes	102.49	332.01	151.94	151.45	137.03	46.35
<b>Changes in Working Capital</b>						
(Increase)/Decrease in Short Term Deposits	-	-	-	-	-	-
(Increase)/Decrease in Inventories	276.25	152.77	(228.56)	(177.95)	(90.88)	(285.79)
(Increase)/Decrease in Trade Receivables	(618.50)	(549.45)	(196.67)	35.40	101.31	(454.31)
(Increase)/Decrease in Short Term Loans & Advances	-	-	-	-	59.74	(59.74)
(Increase)/Decrease in Other Current Assets	30.83	(75.64)	3.86	(2.19)	19.47	(34.75)
Increase/(Decrease) in Short Term Borrowings	(22.68)	323.41	55.36	61.45	55.41	547.70
Increase/(Decrease) in Trade Payables	434.94	19.97	(3.03)	(66.66)	70.97	1.28
Increase/(Decrease) in Other Current Liabilities	3.45	28.05	(4.42)	5.22	21.60	40.48
Increase/(Decrease) in Short Term Provisions	(109.13)	145.73	(1.86)	(0.64)	8.44	8.82
Cash generated from operations	97.66	376.85	(223.40)	6.08	383.08	(189.93)
Less:- Income Taxes paid	17.55	27.12	-	-	-	-
Cash Flow Before Extraordinary Item	80.12	349.73	(223.40)	6.08	383.08	(189.93)
Any Extra- ordinary Items	-	-	-	(7.12)	-	-
<b>Net cash flow from operating activities</b>	<b>80.12</b>	<b>349.73</b>	<b>(223.40)</b>	<b>(1.04)</b>	<b>383.08</b>	<b>(189.93)</b>
<b>B) Cash Flow From Investing Activities :</b>						
Interest Received	-	2.53	3.28	6.44	14.05	-
Interest Received on subsidy	4.48	5.15	12.63	32.34	-	-

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
Purchase of Fixed Assets	-	(30.15)	(1.20)	(9.01)	(125.11)	(471.39)
Insurance Claim Received	-	-	-	6.77	-	-
(Increase)/Decrease in Long Term Loans and Advances	-	-	-	-	-	-
(Increase)/Decrease in Other Non-Current Assets	0.66	(0.51)	2.16	(1.60)	(2.82)	(30.74)
<b>Net cash flow from investing activities</b>	<b>5.14</b>	<b>(22.98)</b>	<b>16.87</b>	<b>34.94</b>	<b>(113.87)</b>	<b>(502.13)</b>
<b>C) Cash Flow From Financing Activities :</b>						
Proceeds from Issue of Share Capital	-	-	-	-	-	250.00
Increase/(Decrease) in Long Term Borrowings	(11.99)	(118.60)	315.49	47.25	(119.06)	465.78
Interest Paid	(46.87)	(186.66)	(112.23)	(113.92)	(109.00)	(23.41)
<b>Net cash flow from financing activities</b>	<b>(58.86)</b>	<b>(305.26)</b>	<b>203.26</b>	<b>(66.67)</b>	<b>(228.06)</b>	<b>692.37</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>26.40</b>	<b>21.49</b>	<b>(3.27)</b>	<b>(32.77)</b>	<b>41.14</b>	<b>0.31</b>
<b>Cash equivalents at the beginning of the year</b>	<b>26.89</b>	<b>5.40</b>	<b>8.67</b>	<b>41.45</b>	<b>0.31</b>	<b>-</b>
<b>Cash equivalents at the end of the year</b>	<b>53.29</b>	<b>26.89</b>	<b>5.40</b>	<b>8.68</b>	<b>41.45</b>	<b>0.31</b>

**Notes:-**

Component of Cash and Cash equivalents	As on April 1, 2018	As on April 1, 2017	As on April 1, 2016	As on April 1, 2015	As on April 1, 2014	As on April 1, 2013
Cash on hand	26.80	0.94	8.01	41.05	0.18	-
Balance With banks	0.09	4.46	0.66	0.40	0.13	-
<b>Total</b>	<b>26.89</b>	<b>5.40</b>	<b>8.67</b>	<b>41.45</b>	<b>0.31</b>	<b>-</b>

1. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

**For Purushottam Khandelwal & Co.**  
Chartered Accountants  
FRN : 123825W

CA Mahendra Singh Rao  
Partner  
Membership No. 154239

Date: November 1, 2018  
Place: Ahmedabad

**Reconciliation of Audit Profit & Restated Profit**

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	59.15	115.84	4.87	1.47	4.23	8.92
Insurance Exp. debited in Current Year transferred to Prepaid	0.27	1.70	1.22	1.33	0.44	1.53
Prepaid Insurance of Previous Year transferred to Expenses	-1.70	-1.22	-1.33	-0.44	-1.53	0.00
Interest on Income Tax not debited to P&L	0.00	-0.06	-0.03	0.00	-0.19	0.00
Income not credited	4.48	0.00	0.00	-0.58	-0.03	0.00
TDS Receivable written off	0.00	0.00	0.00	-0.33	0.00	0.00
(Short)/Excess Provision Expenses	-0.20	0.00	0.00	1.89	0.00	0.00
(Short)/ Excess Interest on Unsecured Loan	<b>-14.98</b>					
(Short)/ Excess Pre Incorporation Expenses	-1.13	-0.45	-0.35	-0.24	-0.13	
(Short)/ Excess Provision for Tax	<b>-17.55</b>	-27.12				
(Short)/ Excess Duty Draw Back refund	0.44					
(Short)/Excess Provision of Depreciation	3.16	-2.85	<b>-2.36</b>	<b>6.91</b>	<b>-33.90</b>	0.00
(Short)/Excess Provision of Deferred Tax	0.66	-3.70	0.70	2.46	2.58	-4.60
Net Adjustment in Profit and Loss Account	<b>-26.55</b>	<b>-33.70</b>	<b>-2.16</b>	<b>10.99</b>	<b>-32.75</b>	<b>-3.06</b>
<b>Net Profit After Tax as per Restated Accounts:</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>-28.52</b>	<b>5.86</b>
<b>AS per Restated</b>						
Insurance Exp.	1.90	3.34	2.75	2.62	4.31	0.57
Interest on Income Tax	-	0.06	0.03	-	0.19	-
Provision for Income Tax debited in P&L	-	-	-	-	-	-
Depreciation charged	10.61	45.49	54.05	65.95	73.17	12.49
Pre Incorporation Expenses	1.13	0.45	0.35	0.24	0.13	-
Provision for Income Tax.	17.55	27.12	-	-	-	-
Duty Drawback Income not book	(0.44)	-	-	-	-	-
Differed Tax Charged to P & l	(0.66)	(0.01)	(1.13)	(2.46)	(2.58)	4.60
<b>AS per Audited</b>						
Insurance Expenses	0.47	3.71	2.65	3.51	3.22	2.10
Interest on Income Tax	-	-	-	-	-	-
Interest on Unsecured Loan	14.98					
Depreciation charged	13.77	42.64	51.68	72.86	39.27	12.49

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
Differed Tax Charged to P & L	-	(3.71)	(0.44)	-	-	-

**Notes:**

1. Income Tax Provision There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.
2. Deferred Tax Liability/ Asset Adjustment In Audited Financial Statements, there was mistake in calculating Deferred Tax Asset/Liability which is rectified in Restated Financial Statements.
3. MAT credit Entitlement In the restatements for the purpose of calculation purpose MAT has been worked out and taxation rate applied of Company only and hence the Credit has been recognized in the books of accounts as per the MAT credit entitlement guidelines as required.
4. To Give Explanatory Notes regarding Adjustments Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for all the years and the requirements of the securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulations 2018. Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

## SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED STANDALONE SUMMARY STATEMENTS

### A. Background

Axita Cotton Limited was originally incorporated on July 16, 2013 as “Axita Cotton Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies. Company was converted into Public Limited Company and consequently name of company was changed from “Axita Cotton Private Limited” to “Axita Cotton Limited” vide Special resolution passed by the Shareholders at the Annual General Meeting held on September 25, 2018 and a fresh certificate of incorporation dated October 15, 2018 issued by the Registrar of Companies, Ahmedabad.

The Company is primarily engaged in manufacturing, trading & export of best quality cotton bales & cotton seeds.

### B. Statement of Significant Accounting Policies

#### 1. Basis of Preparation of Financial Statements

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as on June 30, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, and the Restated Standalone Summary Statement of Profit and Loss and Restated Standalone Summary Statements of Cash Flows for the period ended on June 30, 2018, and financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the annexure thereto (collectively, the “**Restated Standalone Financial Statements**” or “**Restated Standalone Summary Statements**”) have been compiled by the management from the Financial Statements of the Company for the period ended June 30, 2018, and for the financial year ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, Approved by The Board of director of the company have been prepared specifically for the purpose of inclusion in the Offer Documents to be filed with SME Platform of Stock exchange in connection with the proposed Initial Public Offering (here in after referred to as ‘IPO’).

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

#### 2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

#### 3. Property Plant and equipment ( As -10 )

Fixed assets are stated at historical cost/revalued value less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit & Loss.

#### 4. Depreciation

## **Tangible Fixed Assets**

In accordance with AS-10 "Property Plant and equipment", depreciation on tangible fixed assets is computed on considering useful life provided in the Schedule - II of the Act. During the preceding years, the Company was providing depreciation on written down value basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014. The Company has consistently calculated depreciation based on WDV method.

### **5. Borrowing Costs (AS-16)**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### **6. Impairment of Assets**

- (i) The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- (ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

### **7. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **8. Inventories**

Inventories are valued at lower of cost or net realisable value. The cost include cost of purchase, duties & taxes (to the extent not recoverable) and other costs incurred in bringing the inventories to their present location and condition. The cost of the various item of inventories are computed as under:

- Raw materials and stores and spares are valued at cost plus direct expenses and method of valuation is first in first out (FIFO)
- Work-in-progress are valued at raw material cost plus conversion cost depending upon the stage of completion.



- Finished Goods are valued at raw material cost plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present location and condition and method of valuation is first in first out (FIFO)

## **9. Government Grants**

The Government grant are recognised only when there is reasonable assurance that that the condition attached to them shall be complied with, and the grant will be received. Government grants related to assets are deducted from the cost of asset to which it related. Government grants related to revenue are recognised in the statement of profit and loss as and when it realized.

## **10. Revenue Recognition**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude VAT and Goods and Service Tax.

Revenue from rendering of service is recognized on performance of the service agreement on the basis of the Completed service contract method and to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and no significant uncertainty exists regarding the amount of consideration that will be derived.

Revenue from interest is recognized on time proportion basis taking into account the amount outstanding and at the rate applicable.

Revenue from Dividend is recognized only when the owner's right to receive is established.

Other revenue such as gain on sale of assets or current investment is recognized when they are actually realized.

## **11. Foreign Currency Transactions**

- **Functional and Presentation currency**

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

- **Transaction and balances**

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

## **12. Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

Company follow pay-as-you-go policy to account for long term employee benefits and no corresponding provision is made in Restated financial statement.

## **13. Accounting for Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

- i. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- ii. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **14. Contingent Liabilities and Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **15. Earnings per Share:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

#### **16. Cash Flow Statements:**

Cash flows Statements are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### **17. Segment Reporting:**

##### **i. Business Segment**

As the Company is dealing in only in manufacturing & trading of Raw Cotton, Cotton seeds, Cotton Bales, hence Segment is not applicable to the company. Company does not have distinguishable component of an enterprise that is engaged in

providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments

## ii. Geographical Segment

The Company operates in Geographical area namely “India, Bangladesh, Pakistan and Vietnam”.

(₹ in Lakhs)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
Turnover						
(i) Export	244.13	1659.92	364.13	373	0	0
(ii) Domestic	1872.53	10667.1	8658.33	6435.83	7691.2	1736.08
(iii) Turnover of Domestic Services Provided by the Issuer Company	0	18.76	0.6	0	0	0
<b>Total</b>	<b>2116.66</b>	<b>12345.78</b>	<b>9023.06</b>	<b>6808.83</b>	<b>7691.2</b>	<b>1736.08</b>

## 18. Event Occurring After Balance Sheet Date:

As per AS 4 Events occurring after the balance sheet date are those significant events, both favorable and unfavorable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and, by the corresponding approving authority in the case of any other entity. These events can broadly be classified in two ways:

- Those which provide further evidence of conditions that existed at the balance sheet date; and
- Those which are indicative of conditions that arose subsequent to the balance sheet date.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date

### C. Notes on Restatements made in the Restated Financials

- The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- Balances of Sundry Debtors, Creditors, and Loans & Advances Deposits are subject to the confirmation by the parties.
- The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

#### 4. Employee benefits:

*As per Accounting Standard- 15 (Employee Benefits) issued by the Institute of Chartered Accountants of India, the company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, company has not provided for gratuity liability in the financial statement and has not taken any actuarial valuation report. So we are not in position to provide effect in Restated financial statements and to that extent the profit & loss account of the company does not represent true & fair result of the company performance.*

#### 5. Segment Reporting (AS 17)

The Company is not required to disclose the information required by Accounting Standard- 17 as the company does not have more than one business Segment or geographical segment within the meaning of accounting standard -17, which

are distinguishable component of an enterprise and are subject to risks and returns that are different from those of other business segments/Geographical segment

## 6. Change in Accounting Estimate

In Standalone Restated financials the Company has calculated the depreciation based on the rates given in Schedule XIV of the Companies Act, 1956 till 31.03.2014 and after 31.03.2014 based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

## 7. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are contingent liabilities as on March 31, 2018 same as mentioned in “Annexure – W”, for any of the years covered by the statements.

## 8. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the “Annexure – T” of the enclosed financial statements.

## 9. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under

(₹ in Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
Net WDV as Per Companies Act	375.10	385.71	401.04	453.89	510.83	458.89
Net WDV As per Income Tax Act	382.20	392.50	407.71	456.77	505.63	445.27
Timing Difference Due to Depreciation	(7.11)	(6.79)	(6.66)	(2.89)	5.20	13.62
Timing Difference Due to Differences in Amortization Period of Expenses	(0.19)	1.63	1.53	1.43	1.31	1.25
Total Timing Difference	(7.30)	(5.16)	(5.13)	(1.46)	6.51	14.87
<b>Differed Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>
<b>Cumulative Balance of Deferred Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>
<b>Opening Deferred Tax Liability</b>	<b>1.59</b>	<b>1.59</b>	<b>0.45</b>	<b>(2.01)</b>	<b>(4.60)</b>	<b>-</b>
<b>Debited/(Credit) to Restated Statement of Profit and Loss Account</b>	<b>(0.66)</b>	<b>(0.01)</b>	<b>(1.13)</b>	<b>(2.46)</b>	<b>(2.58)</b>	<b>4.60</b>
<b>Tax at Normal Tax Rates (%)</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>

## Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the “Annexure – S” of the enclosed financial statements.

## 10. Material Adjustments [As per SEBI (ICDR) Regulations, 2018]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after April 1, 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.

## STATEMENT OF ADJUSTMENTS IN THE FINANCIAL STATEMENTS

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

### Reconciliation of Audit Profit & Restated Profit

(₹ In Lakh)

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	59.15	115.84	4.87	1.47	4.23	8.92
Insurance Exp. debited in Current Year transferred to Prepaid	0.27	1.70	1.22	1.33	0.44	1.53
Prepaid Insurance of Previous Year transferred to Expenses	-1.70	-1.22	-1.33	-0.44	-1.53	0.00
Interest on Income Tax not debited to P&L	0.00	-0.06	-0.03	0.00	-0.19	0.00
Income not credited	4.48	0.00	0.00	-0.58	-0.03	0.00
TDS Receivable written off	0.00	0.00	0.00	-0.33	0.00	0.00
(Short)/Excess Provision Expenses	-0.20	0.00	0.00	1.89	0.00	0.00
(Short)/ Excess Interest on Unsecured Loan	-14.98	0.00	0.00	0.00	0.00	0.00
(Short)/ Excess Pre Incorporation Expenses	-1.13	-0.45	-0.35	-0.24	-0.13	0.00
(Short)/ Excess Provision for Tax	-17.55	-27.12	0.00	0.00	0.00	0.00
(Short)/ Excess Duty Draw Back refund	0.44	0.00	0.00	0.00	0.00	0.00
(Short)/Excess Provision of Depreciation	3.16	-2.85	-2.36	6.91	-33.90	0.00
(Short)/Excess Provision of Deferred Tax	0.66	-3.70	0.70	2.46	2.58	-4.60
<b>Net Adjustment in Profit and Loss Account</b>	<b>-26.55</b>	<b>-33.70</b>	<b>-2.16</b>	<b>10.99</b>	<b>-32.75</b>	<b>-3.06</b>
<b>Net Profit After Tax as per Restated Accounts:</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>-28.52</b>	<b>5.86</b>
<b>AS per Restated</b>						
Insurance Exp.	1.90	3.34	2.75	2.62	4.31	0.57
Interest on Income Tax	-	0.06	0.03	-	0.19	-
Provision for Income Tax debited in P&L	-	-	-	-	-	-
Depreciation charged	10.61	45.49	54.05	65.95	73.17	12.49
Pre Incorporation Expenses	1.13	0.45	0.35	0.24	0.13	-
Provision for Income Tax.	17.55	27.12	-	-	-	-
Duty Drawback Income not book	(0.44)	-	-	-	-	-
Differed Tax Charged to P & l	(0.66)	(0.01)	(1.13)	(2.46)	(2.58)	4.60
<b>AS per Audited</b>						
Insurance Expenses	0.47	3.71	2.65	3.51	3.22	2.10
Interest on Income Tax	-	-	-	-	-	-
Interest on Unsecured Loan	14.98					
Depreciation charged	13.77	42.64	51.68	72.86	39.27	12.49
Differed Tax Charged to P & l	-	(3.71)	(0.44)	-	-	-

#### Notes:

- Income Tax Provision There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.
- Deferred Tax Liability/ Asset Adjustment In Audited Financial Statements, there was mistake in calculating Deferred Tax Asset/Liability which is rectified in Restated Financial Statements.
- MAT credit Entitlement In the restatements for the purpose of calculation purpose MAT has been worked out and taxation rate applied of Company only and hence the Credit has been recognized in the books of accounts as per the MAT credit entitlement guidelines as required.

4. To Give Explanatory Notes regarding Adjustments Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for all the years and the requirements of the securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulations 2018. Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

**a) Accounting of Fixed Assets**

During the process of restatement of Accounts, Company has capitalized the expenses which was attributed to the assets and consequently there is change in calculation of depreciation and assets.

**b) Adjustment on account of Prepaid expenses and Prior Period Expenses:-**

The Company has transferred to Insurance expenses to prepaid Expenses & adjusted the prior period items to the respective year and accordingly the profit of such year is restated considering such change.

**c) Adjustment on account of Provision of Deferred Tax:**

Due to changes in Depreciation, etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

**d) Adjustment on account of Tax Provision and MAT Credit Entitlement and Set-off thereof**

Due to changes in accounting estimates and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their amounts have been readjusted in standalone restated financials.

**11. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**12. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**13. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest Lakh.

**For Purushottam Khandelwal & Co.**  
**Chartered Accountants**  
**FRN : 123825W**

**Date:** November 1, 2018  
**Place:** Ahmedabad

**CA Mahendra Singh Rao**  
**Partner**  
**Membership No. 154239**

ANNEXURE – A

STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>SHARE CAPITAL</b>						
<b>Authorized Share Capital</b>						
Equity shares of ₹10 each	2500000	2500000	2500000	2500000	2500000	2500000
Share Capital	250.00	250.00	250.00	250.00	250.00	250.00
<b>Issued, Subscribed and Paid up Share Capital</b>						
Equity Shares of ₹ 10 each fully paid up	2500000	2500000	2500000	2500000	2500000	2500000
Share Capital (in ₹)	250.00	250.00	250.00	250.00	250.00	250.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>RESERVES AND SURPLUS</b>						
A) Surplus in Profit and Loss account						
Opening Balance	72.94	-7.49	-10.20	-22.66	5.85	0.00
Add: Restated Profit/ (Loss) for the year	32.60	82.13	2.71	12.46	-28.51	5.85
Less : Mat Credit W/off	0.00	1.70	0.00	0.00	0.00	0.00
<b>Total</b>	<b>105.54</b>	<b>72.94</b>	<b>-7.49</b>	<b>-10.20</b>	<b>-22.66</b>	<b>5.85</b>

**Notes:**

1. Terms/rights attached to equity shares:
  - i. The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share
  - ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Company does not have any Revaluation Reserve.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
5. The reconciliation of the number of shares outstanding as at:

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Number of shares at the beginning	2500000	2500000	2500000	2500000	2500000	0
Add: Shares issued during the year	0	0	0	0	0	2500000
<b>Number of shares at the end</b>	<b>2500000</b>	<b>2500000</b>	<b>2500000</b>	<b>2500000</b>	<b>2500000</b>	<b>2500000</b>



6. The detail of shareholders holding more than 5% of Shares:

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
AmitbhaiGovindbhai Patel	712200	712200	712200	712200	470000	470000
KushalkumarNitinbhai Patel	667000	667000	667000	667000	500000	500000
NitinbhaiGovindbhai Patel	885500	885500	885500	885500	770500	770500

## ANNEXURE – B

## STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>LONG TERM BORROWINGS</b>						
<b>(Secured)</b>						
From Banks/Financial Institutions	84.88	100.43	162.83	224.83	286.73	290.36
<b>Total</b>	<b>84.88</b>	<b>100.43</b>	<b>162.83</b>	<b>224.83</b>	<b>286.73</b>	<b>290.36</b>
<b>(Unsecured)</b>						
(I) From Related Parties ('Promoters' and 'Promoter Group Companies')						
A) From Body Corporate	0.00	0.00	0.00	0.00	0.00	0.00
Inter Corporate Loan	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
B) From Others (Director)						
Amitbhai Govindbhai Patel	128.42	126.42	122.51	73.20	21.47	0.00
Kushalbhai Nitinbhai Patel	207.74	205.74	171.30	22.21	15.12	0.00
Nitinbhai Govindbhai Patel	129.41	124.41	171.27	73.72	23.41	0.00
Geetaben Amitbhai Patel	33.85	33.85	51.53	0.00	0.00	0.00
Geetaben Nitinbhai Patel	-5.44	0.00	30.02	0.00	0.00	0.00
<b>Total</b>	<b>493.99</b>	<b>490.43</b>	<b>546.63</b>	<b>169.13</b>	<b>60.00</b>	<b>0.00</b>
<b>Sub Total (I)</b>	<b>493.99</b>	<b>490.43</b>	<b>546.63</b>	<b>169.13</b>	<b>60.00</b>	<b>0.00</b>
(II) From Others						
A) From Body Corporate	0.00	0.00	0.00	0.00	0.00	
Inter Corporate Loan	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
B) From Others						
AnjanabenPrafulbhai Patel	0.00	0.00	0.00	0.00	0.00	4.59
Ashok Investments	0.00	0.00	0.00	0.00	0.00	15.99
BhavnavenRajendrabhai Patel	0.00	0.00	0.00	0.00	0.00	4.70
DiptiHemantbhai Patel	0.00	0.00	0.00	0.00	0.00	3.06
Gajlaxmi Cotton Industries	0.00	0.00	0.00	0.00	0.00	36.44
GovindbhaiPitabhai Desai	0.00	0.00	0.00	0.00	0.00	5.72
JagdishbhaiSankarlalRawal	0.00	0.00	0.00	0.00	0.00	5.64
Jhaan Mohammad Rustak Mohammad	0.00	0.00	0.00	0.00	0.00	5.13
KaxilPrafulbhai	0.00	0.00	0.00	0.00	0.00	2.64

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
KokilabenBaladevbhai Patel	0.00	0.00	0.00	0.00	0.00	0.66
NavneetMathurjiThakor	0.00	0.00	0.00	0.00	0.00	5.07
Patel BaldevbhaiDahyabhai	0.00	0.00	0.00	0.00	0.00	6.00
Patel bharatbhaiRamdas	0.00	0.00	0.00	0.00	0.00	5.28
Patel BhikabhaiRanchhoddas	0.00	0.00	0.00	0.00	0.00	5.48
Patel GanpatbhaiParsottambhai	0.00	0.00	0.00	0.00	0.00	5.72
Patel GanpatbhaiRamdas	0.00	0.00	0.00	0.00	0.00	4.77
Patel JitendrabhaiIshwarnhai	0.00	0.00	0.00	0.00	0.00	5.70
Patel KishorbhaiNatwarbhai	0.00	0.00	0.00	0.00	0.00	5.24
Patel MahendrabhaiGandalal	0.00	0.00	0.00	0.00	0.00	5.66
Patel VasrambhaiOdhavjibhai	0.00	0.00	0.00	0.00	0.00	5.15
PrafulbhaiBaldevbhai Patel	0.00	0.00	0.00	0.00	0.00	10.18
RajendrabhaiBaldevbhai Patel	0.00	0.00	0.00	0.00	0.00	12.46
VishalkumarHemantbhai Patel	0.00	0.00	0.00	0.00	0.00	14.13
<b>Sub Total (II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>175.42</b>
<b>Total (I+II)</b>	<b>493.99</b>	<b>490.43</b>	<b>546.63</b>	<b>169.13</b>	<b>60.00</b>	<b>175.42</b>

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Short Term Borrowings</b>						
From Banks/Financial Institutions (Secured)	1020.66	1043.34	719.93	664.57	603.12	547.70
Loan Repayable on Demand	1020.66	1043.34	719.93	664.57	603.12	547.70
<b>The above amount includes:</b>						
Secured Borrowings	1105.54	1143.77	882.76	889.41	889.84	838.06
Unsecured Borrowings	493.99	490.43	546.63	169.13	60.00	175.42

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.
4. The terms and conditions and other information in respect of Secured Loans as on 30.06.2018 are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans as on 30.06.2018 are given in Annexure - B (B)

**ANNEXURE – B (A)**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanctioned Amount (₹ in Lakh)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) June 30, 2018 (₹ in Lakh)	
							Long term /Short Term Borrowing	Current Maturity of Long Term Borrowing
OBC Bank CC A/C	Working Capital	1500.00	9.85%	<p><b>Primary:-</b> Hypothecation of entire current assets including Finished Goods, Raw Material Stock, and Stores &amp; Spares Sundry Debtors.</p> <p><b>Collateral Security:-</b> 1. EM of Factory Land &amp; Building at survey No. 324,357 &amp; 358 Village Borisana, TalikaKadi, DisttMehsana. 2 ) Extension of Equitable Mortgage of Land and Building at Survey No. 202, Near Ambika Way Bridge, Near Ramdevpir Temple, Chattral, kadi highway, karnnagar, Kadi, DistMahesana 3) Extention of Equitable Mortgage of Residential Flat at B-303, at 3rd Floor of Ashutosh Avenue, Near St Xavier School, Loyala Hall, Naranpura Ahmedabad</p>	Cash Credit Limit so no repayment schedule	No	1,020.66	-
OBC Term Loan A/C	Plant & Machinery	375.00	10.35%	<p><b>Primary:</b> EM of Factory Land &amp; Building at survey No. 324,357 &amp; 358 Village Borisana, TalikaKadi, DisttMehsana. <b>Collateral Security :</b> 1 ) Extension of Equitable Mortgage of Land and Building at Survey No. 202, Near Ambika Way Bridge, Near Ramdevpir Temple, Chattral, kadi highway, karnnagar, Kadi, DistMahesana 2) Extention of Equitable Mortgage of Residential Flat at B-303, at 3rd Floor of Ashutosh Avenue, Near St Xavier School, Loyala Hall, Naranpura Ahmedabad</p>	Repayment will be in 75 (Seventy Five) equal monthly installments of ₹ 5.00 Lakh after 6 months moratorium period.	6 Months	80.00	60.00

Name of Lender	Purpose	Sanctioned Amount (₹ in Lakh)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) June 30, 2018 (₹ in Lakh)	
							Long term /Short Term Borrowing	Current Maturity of Long Term Borrowing
OBC Car Loans	Car Requirement	17.00	10.25%	Car	Installment of amount of ₹ 24,322/- per month	No	4.88	2.26
<b>Total</b>		<b>1892.00</b>					<b>1105.54</b>	<b>62.26</b>

**ANNEXURE – B (B)**

**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

**Unsecured Loans from Promoters/Directors are repayable on Demand.**

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Outstanding amount as on (as per Books) June 30, 2018 (₹ in Lakh)
AmitbhaiGovindbhai Patel	Business	12%	On Demand	128.42
KushalbhaiNitinbhai Patel	Business	12%	On Demand	207.74
NitinbhaiGovindbhai Patel	Business	12%	On Demand	129.41
GeetabenAmitbhai Patel	Business	12%	On Demand	33.85
<b>Total</b>				<b>499.43</b>

ANNEXURE – C

**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Major Components of deferred tax arising on account of timing differences are:</b>						
Timing Difference Due to Depreciation	(7.11)	(6.79)	(6.66)	(2.89)	5.20	13.62
Timing Difference Due to Differences in Amortization Period of Expenses	(0.19)	1.63	1.53	1.43	1.31	1.25
Tax Rate (%)	30.90	30.90	30.90	30.90	30.90	30.90
<b>Differed Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>
<b>Cumulative Balance of Deferred Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III.

**CALCULATION OF DTA/DTL**

Particulars	For the period ended on June 30, 2018	For the Year Ended March 31,				
		2018	2017	2016	2015	2014
Net WDV as Per Companies Act	375.10	385.71	401.04	453.89	510.83	458.89
Net WDV As per Income Tax Act	382.20	392.50	407.71	456.77	505.63	445.27
Timing Difference Due to Depreciation	(7.11)	(6.79)	(6.66)	(2.89)	5.20	13.62
Timing Difference Due to Differences in Amortization Period of Expenses	(0.19)	1.63	1.53	1.43	1.31	1.25
Total Timing Difference	(7.30)	(5.16)	(5.13)	(1.46)	6.51	14.87
<b>Differed Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>
<b>Cumulative Balance of Deferred Tax (Assets)/ Liability</b>	<b>(2.25)</b>	<b>(1.59)</b>	<b>(1.59)</b>	<b>(0.45)</b>	<b>2.01</b>	<b>4.60</b>
<b>Opening Deferred Tax Liability</b>	<b>1.59</b>	<b>1.59</b>	<b>0.45</b>	<b>(2.01)</b>	<b>(4.60)</b>	<b>-</b>
<b>Debited/(Credit) to Restated Statement of Profit and Loss Account</b>	<b>(0.66)</b>	<b>(0.01)</b>	<b>(1.13)</b>	<b>(2.46)</b>	<b>(2.58)</b>	<b>4.60</b>
<b>Tax at Normal Tax Rates (%)</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>	<b>30.90</b>

**ANNEXURE – D**

**STATEMENT OF LONG TERM PROVISIONS**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, I and III.

**ANNEXURE – E**

**STATEMENT OF TRADE PAYABLES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Trade Payables</b>						
For Goods & Services						
1.Total outstanding dues of micro enterprises and small enterprises; and	0.00	0.00	0.00	0.00	0.00	0.00
2.1 Total outstanding dues of creditors other than micro enterprises and small enterprises.	16.61	22.53	2.56	5.59	72.25	1.28
2.2 From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	440.86	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>457.47</b>	<b>22.53</b>	<b>2.56</b>	<b>5.59</b>	<b>72.25</b>	<b>1.28</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.



## ANNEXURE – F

## STATEMENT OF OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Other Current Liabilities</b>						
Sadhi Petroleum	0.00	0.00	0.00	0.00	0.00	0.18
Sanjay Desai & Co.	0.00	0.00	0.17	0.14	0.11	0.07
Advances from debtors	0.61	0.00	0.00	0.00	0.00	0.00
Unpaid Electricity Expenses	0.00	5.25	0.00	4.80	0.00	0.00
Patel Infosys Computer system	0.00	0.00	0.00	0.00	0.40	0.00
NitinGovindbhai Patel	0.00	0.00	0.00	0.00	0.00	0.24
Brokerage Charges Payables	8.92	8.92	0.00	0.00	0.00	0.00
Nirali Graphics & Printers	0.00	0.00	0.00	0.24	0.00	0.00
Devikrupa Brokers	0.00	0.00	0.71	0.54	0.00	0.00
Interest Due on Unsecured loan but not paid	13.48	0.00	0.00	0.00	0.00	0.00
Weight Shortage	9.11	14.57	0.00	0.00	0.00	0.00
Term Loan From OBC	60.00	60.00	60.00	59.76	60.24	40.00
OBC Car Loans	2.26	2.20	2.01	1.82	1.34	0.00
<b>Total</b>	<b>94.38</b>	<b>90.93</b>	<b>62.88</b>	<b>67.31</b>	<b>62.09</b>	<b>40.48</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – G**

**STATEMENT OF SHORT TERM PROVISIONS**

**(₹ in Lakh)**

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Short Term Provisions</b>						
Provision for Income Tax	42.39	24.84	1.01	2.20	1.10	1.99
Audit Fees Payable	0.60	0.60	0.60	0.00	0.00	0.00
CST A/c	-0.02	-0.02	0.38	4.51	0.25	0.00
TDS Payable	4.32	6.04	1.57	1.29	0.50	0.83
VAT Payable	0.00	0.00	11.21	8.62	15.40	0.00
GST	0.25	127.69	0.00	0.00	0.00	0.00
Salary Payable	0.00	1.34	0.00	0.00	0.00	0.00
Director Salary Payable	3.83	0.00	0.00	0.00	0.00	6.00
<b>Total</b>	<b>51.36</b>	<b>160.49</b>	<b>14.76</b>	<b>16.62</b>	<b>17.26</b>	<b>8.82</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – H

## STATEMENT OF FIXED ASSETS

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Tangible Assets</b>						
<b>Land</b>						
Land at Kadi	86.21	86.21	86.21	86.21	86.21	86.21
<b>Buildings</b>						
Opening Block	127.41	127.31	127.20	121.64	93.98	0.00
Addition	0.00	0.10	0.10	5.57	27.65	93.98
Deletion	0.00	0.00	0.00	0.00	0.00	0.00
Gross Block	127.41	127.41	127.31	127.20	121.64	93.98
Less : Accumulated Depreciation	25.23	23.98	18.70	13.17	7.40	2.35
<b>Net Block</b>	<b>102.18</b>	<b>103.43</b>	<b>108.60</b>	<b>114.03</b>	<b>114.23</b>	<b>91.63</b>
<b>Plant And Machinery</b>						
Opening Block	368.81	363.94	363.94	362.81	287.04	0.00
Addition	0.00	4.87	0.00	1.12	75.77	287.04
Deletion	0.00	0.00	0.00	0.00	0.00	0.00
Gross Block	368.81	368.81	363.94	363.94	362.81	287.04
Less : Accumulated Depreciation	211.02	203.77	167.72	124.26	71.13	9.97
<b>Net Block</b>	<b>157.79</b>	<b>165.04</b>	<b>196.22</b>	<b>239.67</b>	<b>291.68</b>	<b>277.07</b>
<b>Furniture Fitting &amp; Office Equipment</b>						
Opening Block	6.61	6.23	5.89	4.67	0.00	0.00
Addition	0.00	0.38	0.34	1.22	4.67	0.00
Deletion	0.00	0.00	0.00	0.00	0.00	0.00
Gross Block	6.61	6.61	6.23	5.89	4.67	0.00
Less : Accumulated Depreciation	4.76	4.60	3.59	2.36	0.50	0.00
<b>Net Block</b>	<b>1.84</b>	<b>2.01</b>	<b>2.64</b>	<b>3.53</b>	<b>4.17</b>	<b>0.00</b>
<b>Computer and Printer</b>						
Opening Block	3.10	3.08	2.32	1.72	0.49	0.00
Addition	0.00	0.02	0.76	0.61	1.23	0.49
Deletion	0.00	0.00	0.00	0.00	0.00	0.00

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Gross Block	3.10	3.10	3.08	2.32	1.72	0.49
Less : Accumulated Depreciation	2.83	2.80	2.38	1.55	0.58	0.05
<b>Net Block</b>	<b>0.27</b>	<b>0.30</b>	<b>0.70</b>	<b>0.77</b>	<b>1.14</b>	<b>0.44</b>
<b>Vehicle</b>						
Opening Block	44.72	19.94	19.94	19.45	3.66	0.00
Addition	0.00	24.78	0.00	0.49	15.79	3.66
Deletion	0.00	0.00	0.00	0.00	0.00	0.00
Gross Block	44.72	44.72	19.94	19.94	19.45	3.66
Less : Accumulated Depreciation	17.92	16.01	13.27	10.28	6.06	0.13
<b>Net Block</b>	<b>26.80</b>	<b>28.72</b>	<b>6.67</b>	<b>9.66</b>	<b>13.39</b>	<b>3.53</b>
Opening Block	636.86	606.71	605.51	596.50	471.39	0.00
Addition	0.00	30.15	1.20	9.01	125.11	471.39
Deletion	0.00	0.00	0.00	0.00	0.00	0.00
Gross Block	636.86	636.86	606.71	605.51	596.50	471.39
Less : Accumulated Depreciation	261.77	251.16	205.67	151.62	85.67	12.49
<b>Net Tangible Assets</b>	<b>375.10</b>	<b>385.71</b>	<b>401.04</b>	<b>453.89</b>	<b>510.83</b>	<b>458.89</b>

**ANNEXURE – I**

**STATEMENT OF NON CURRENT ASSETS**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Non-Current Investment</b>						
In Others - Bank (Fixed Deposit)	18.80	18.80	18.19	21.12	19.47	17.80
<b>Total(a)</b>	<b>18.80</b>	<b>18.80</b>	<b>18.19</b>	<b>21.12</b>	<b>19.47</b>	<b>17.80</b>
<b>Other Non-Current Assets</b>						
In Other GEB Deposit	14.04	14.70	14.80	14.04	14.09	12.94
<b>Total(b)</b>	<b>14.04</b>	<b>14.70</b>	<b>14.80</b>	<b>14.04</b>	<b>14.09</b>	<b>12.94</b>
<b>Total(a+b)</b>	<b>32.84</b>	<b>33.50</b>	<b>32.99</b>	<b>35.16</b>	<b>33.56</b>	<b>30.74</b>

**Notes:**

- The figures disclosed above are based on the restated summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to Restated Summary Statements of Assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – J**

**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Unsecured, Considered Good unless otherwise stated</b>						
Security Deposit	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Notes:**

1. The figures disclosed above are based on the restated summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to Restated Summary Statements of Assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – K**

**STATEMENT OF INVENTORIES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
<b>Finished Goods</b>						
Bale	354.16	442.13	550.52	364.89	274.49	215.23
Kapasiya	0.00	112.53	170.68	145.73	102.18	0.00
Kapas	0.00	75.75	61.98	44.00	0.00	70.56
<b>Total</b>	<b>354.16</b>	<b>630.42</b>	<b>783.19</b>	<b>554.62</b>	<b>376.67</b>	<b>285.79</b>

**ANNEXURE – L**

**STATEMENT OF TRADE RECEIVABLES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Outstanding for a period exceeding six months (Unsecured and considered Good)						
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	0	0.00	0.00	0.00	0.00	0.00
Others	0	0.00	0.00	0.00	0.00	0.00
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)						
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	1462.32	512.30	198.31	0.00	43.22	0.00
Others	219.89	551.42	315.96	317.60	309.78	454.31
<b>Total</b>	<b>1682.22</b>	<b>1063.72</b>	<b>514.27</b>	<b>317.60</b>	<b>353.00</b>	<b>454.31</b>

**Notes:**

- The figures disclosed above are based on the restated summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to Restated Summary Statements of Assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – M**

**STATEMENT OF CASH & CASH EQUIVALENTS**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)						
Balances with Banks in Current Accounts	0.21	0.09	4.46	0.66	0.40	0.13
Bank Deposits with original maturity of less than 3 months	0.00	0.00	0.00	0.00	0.00	0.00
Cash on hand	53.08	26.80	0.94	8.01	41.05	0.18
<b>Total</b>	<b>53.29</b>	<b>26.89</b>	<b>5.40</b>	<b>8.67</b>	<b>41.45</b>	<b>0.31</b>

**Notes:**

- The figures disclosed above are based on the restated summary Statement of Assets and Liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to Restated Summary Statements of Assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – N

STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Unsecured, Considered Good unless otherwise stated-	0	0	0	0	0	59.73704
Loans Advances to Related Parties	0	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>59.74</b>

**Notes:**

1. The figures disclosed above are based on the restated summary Statement of Assets and Liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to Restated Summary Statements of Assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as “Promoters” and “Group Companies” has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



## ANNEXURE – O

## STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Advances to Suppliers	-	1.95	-	-	-	-
Bank process fees Expenses	0.63	0.79	0.95	1.10	1.26	1.42
GEB A/c	3.14	3.92	4.70	5.49	6.27	7.06
ROC Fees	1.60	1.98	2.36	2.74	3.12	2.79
<b>Others:</b>	-	-	-	-	-	-
Additional VAT	-	-	-	-	-	1.41
Excise Refund A/c	-	-	-	-	-	12.59
TDS receivables	0.58	0.58	0.23	0.31	1.39	-
TCS Receivable	0.27	0.27	-	-	-	-
GST	51.93	78.06	-	-	-	-
Duty Drawbacks	-	-	-	1.80	-	-
VAT A/c	-	-	-	-	-	5.96
Prepaid Insurance	0.27	1.70	1.22	1.33	0.44	1.53
MAT Credit	-	-	4.15	4.70	2.80	1.99
<b>Total</b>	<b>58.42</b>	<b>89.25</b>	<b>13.61</b>	<b>17.47</b>	<b>15.28</b>	<b>34.75</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – P**

**STATEMENT OF TURNOVER**

**(₹ in Lakh)**

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
(i) Export Turnover of Products Traded by the Issuer Company						
Trading	0	1252.63	90.46	257.53	0	0
Manufacturing	244.13	407.29	273.67	115.47	0	0
(ii) Domestic Turnover of Products Manufactured by the Issuer Company						
Trading	621.43	1,720.93	3346.6	753.12	1017.92	272.69
Manufacturing	1251.1	8,946.17	5311.73	5682.71	6673.28	1463.39
(iii) Turnover of Domestic Services Provided by the Issuer Company	0	18.76	0.60	0	0	0
<b>Total</b>	<b>2116.66</b>	<b>12345.78</b>	<b>9023.06</b>	<b>6808.83</b>	<b>7691.20</b>	<b>1736.08</b>
<b>Region Wise Sales</b>						
Gujarat	1,872.53	10,685.86	7,750.00	4,177.50	4,732.30	432.17
Maharashtra	-	-	-	42.59	2,680.51	1303.91
Rajasthan	-	-	908.93	2,215.73	97.18	0
Madhya Pradesh	-	-	-	-	181.21	0
Export	244.13	1,659.92	364.13	373.01	-	0
<b>Total</b>	<b>2116.66</b>	<b>12345.78</b>	<b>9023.06</b>	<b>6808.83</b>	<b>7691.20</b>	<b>1736.08</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of Profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – Q

## STATEMENT OF OTHER INCOME

(₹ in Lakh)

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Related and Recurring Income:						
GEB Subsidy Income	0.00	0.00	0.00	5.53	0.00	0.00
Discount Received (Kasar)	0.01	0.54	0.46	0.05	0.10	0.02
Interest income	0.00	2.53	3.28	6.44	14.05	0.00
Insurance Claim Income	0.00	0.00	0.00	6.77	0.00	0.00
Interest Subsidy 5%	4.48	5.15	12.63	32.34	0.00	0.00
VAT Refund Income	0.00	35.40	67.51	15.99	0.00	0.00
TUF Subsidy Income	0.00	0.00	45.30	0.00	0.00	0.00
Duty Drawback income	0.44	2.85	0.00	0.00	0.00	0.00
Labour Income	0	0.1	0	0	0	0.00
<b>Total</b>	<b>4.93</b>	<b>46.58</b>	<b>129.18</b>	<b>67.12</b>	<b>14.15</b>	<b>0.02</b>

**Notes:**

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of Profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – R

## STATEMENT OF EXPENSES

(₹ in Lakh)

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
<b>A. Cost of Goods Consumed</b>						
Opening Stock of Raw Material	-	-	-	-	70.56	-
Add : Purchases During the Year	1,057.43	8,837.17	5,502.86	5,637.39	6,447.49	1,665.15
Less : Closing Stock of Raw Material			-	-	-	70.56
<b>Total of A</b>	<b>1,057.43</b>	<b>8,837.17</b>	<b>5,502.86</b>	<b>5,637.39</b>	<b>6,518.04</b>	<b>1,594.59</b>
<b>B. Changes in Inventories of finished goods, work in progress and stock -in-trade</b>						
Opening Stock(Material)	-	-	-	-	-	-
LESS: Closing Stock(Material)	-	-	-	-	-	-
Change in Inventory of Material	-	-	-	-	-	-
Opening Stock(Finished Goods)	630.42	783.19	554.62	376.67	215.23	-
Less: Closing Stock(Finished Goods)	354.16	630.42	783.19	554.62	376.67	215.23
Change in Inventory of Finished Goods	276.25	152.77	(228.56)	(177.95)	(161.44)	(215.23)
<b>Total</b>	<b>276.25</b>	<b>152.77</b>	<b>(228.56)</b>	<b>(177.95)</b>	<b>(161.44)</b>	<b>(215.23)</b>
<b>Purchase of Traded Goods</b>	-	-	-	-	-	-
Bales	553.16	-	1,725.66	257.53	797.11	258.42
Shankar Kapasia	68.27	1,621.73	90.46	236.23	220.81	14.28
Khol	-	982.78	1,620.36	516.88	-	-
Kalyani	-	115.88	-	-	-	-
<b>Total of B</b>	<b>621.43</b>	<b>2,720.39</b>	<b>3,436.49</b>	<b>1,010.65</b>	<b>1,017.92</b>	<b>272.69</b>
<b>C. Employee Benefit Expenses</b>						
Salary	11.80	37.86	21.11	13.25	9.37	1.48
Bonus Expenses	-	2.90	2.02	1.10	0.79	-
Director remuneration	13.50	54.00	49.50	17.10	10.80	6.00
Leave Encashment Expenses	-	1.63	1.32	0.66	0.51	-
<b>Total of C</b>	<b>25.30</b>	<b>96.39</b>	<b>73.95</b>	<b>32.11</b>	<b>21.47</b>	<b>7.48</b>
<b>D. Finance Cost</b>						
Interest on unsecured loans	14.98	48.34	7.76	2.99	7.51	8.09
Interest Expenses (Term Loan)	2.49	20.18	26.81	35.63	45.12	9.77

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Interest on Export Charge by bank	-	6.35	-	0.30	-	-
Interest on CC A/c	28.10	111.08	76.54	73.66	55.09	5.54
Interest on Car Loans	1.29	0.71	1.13	1.34	1.28	-
Bank Processing Fees	-	-	3.03	1.89	4.35	2.70
Bank Charges	0.12	1.16	1.63	0.73	0.46	0.27
<b>Total of D</b>	<b>46.99</b>	<b>187.82</b>	<b>116.88</b>	<b>116.54</b>	<b>113.82</b>	<b>26.38</b>
<b>E. Other Expenses</b>						
Payment to Auditors						
Audit Fees	-	0.67	0.60	0.51	0.53	-
Total	-	<b>0.67</b>	<b>0.60</b>	<b>0.51</b>	<b>0.53</b>	-
<b>Other Expenses</b>						
(i) Insurance						
Insurance premium	1.90	3.34	2.75	2.62	4.31	0.57
(ii) Rent Rates & Taxes						
VAT	-	0.08	0.61	0.10	0.03	-
RCM (GST) expenses	0.03	6.67	-	-	-	-
Land Property Tax	-	-	-	0.01	-	-
Gram Panchayat Tax	-	-	-	0.10	-	-
Education Cess	-	-	-	0.00	-	-
Tds Expenses	-	-	0.01	0.01	-	-
Interest on Income Tax	-	0.06	0.03	-	0.19	-
Total (ii)	<b>0.03</b>	<b>6.81</b>	<b>0.65</b>	<b>0.23</b>	<b>0.22</b>	-
(iii) Travelling and Conveyance expenses						
Travelling expense	-	0.03	-	-	-	-
Total (iii)	-	<b>0.03</b>	-	-	-	-
(iv) Direct Expenses						
Spare Parts	4.86	42.99	20.20	20.83	22.17	7.77
Custom Clearing Charges	5.71	32.22	6.49	8.15	-	-
Electricity Expenses	4.37	47.13	29.40	32.61	33.52	6.53
GIN spare parts Expenses	-	0.01	0.16	0.12	0.01	0.00
Ginning & Pressing Expenses	1.65	6.01	2.18	1.91	0.38	-
Market Fees Expenses	-	2.27	2.19	3.41	1.65	-

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Quality Allowance Expenses	3.24	2.49	24.88	22.38	8.43	-
Sample allowances	0.13	(0.05)	0.37	0.38	0.95	0.31
Weight Shortage on Sales	0.01	17.52	17.88	9.16	2.67	0.57
Total (iv)	<b>19.98</b>	<b>150.58</b>	<b>103.74</b>	<b>98.95</b>	<b>69.78</b>	<b>15.18</b>
(v)Indirect Expenses						
Brokerage	11.91	22.37	3.44	3.10	1.21	-
Canteen Expenses	-	0.18	-	-	-	-
Cash Discount A/c	0.20	0.75	4.38	7.58	10.53	0.51
Cash Handling Charges	0.01	-	5.04	-	-	-
Repair & Maintenance	0.10	0.15	0.24	0.36	1.10	0.05
Digital Signature certificate Expenses	-	-	-	-	-	0.06
Donation	0.05	0.31	-	0.02	-	-
Fire Kapas Loss	-	-	-	-	-	-
Fire Wooden Expenses	0.15	0.93	0.61	0.56	1.17	-
Inspection Fees	-	0.03	0.05	0.08	-	-
Kapasiya Brokerage Expenses	-	-	-	0.32	0.14	-
Licenses Renew Fees	-	-	-	-	-	0.08
Loading & Boarding Charges	-	2.12	-	-	-	-
Medical Expenses	-	0.05	-	-	-	-
Miscellaneous Expenses	-	0.18	-	-	-	0.01
Office Repair and Renovation Expense	-	1.89	0.87	0.92	0.54	0.13
Petrol & Diesel Expenses	2.66	12.32	7.29	6.10	6.13	0.38
Postage & Courier Expenses	0.00	0.00	0.01	0.16	0.01	-
Process Fees	-	8.79	0.18	-	-	-
Rate Differences	(8.48)	0.29	6.57	14.05	18.10	-
Rating Expenses	-	0.43	-	-	-	-
Registration expenses	-	0.95	0.36	0.65	1.28	-
Repairmen expenses	0.09	-	-	-	0.08	0.01
Stationery Expenses	-	0.69	0.23	0.72	0.47	0.07
TDS Receivable written off	-	-	-	0.33	-	-
Telephone Expenses	0.03	0.24	0.53	0.10	0.52	-
Testing expenses	-	0.01	0.27	0.49	0.52	0.10
Tractor Rent Expenses	-	0.60	1.32	1.44	1.44	0.24

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Trade discount expenses	1.31	-	4.20	13.16	15.05	2.55
Transportation Expenses	0.64	7.26	39.58	11.38	11.74	-
Transportation for Export Expenses	-	12.62	-	5.88	-	-
TUF Application expenses	-	-	-	-	0.03	-
Vehicles Repairing Expenses	0.44	3.82	4.20	2.66	-	-
Warehouses Charges	-	-	0.12	-	-	-
World Travel Expenses	1.40	-	0.51	-	-	-
<b>Total (v)</b>	<b>10.52</b>	<b>76.99</b>	<b>80.00</b>	<b>70.06</b>	<b>70.05</b>	<b>4.18</b>
(vi) Legal and Professional fees						
Bank Stock Audit Expenses	-	-	0.21	-	-	-
Dalali Expenses	-	-	-	-	-	0.09
Consultancy Fees	0.35	3.10	0.83	0.36	0.11	0.07
Legal & Stamps Expenses	-	0.10	4.91	-	7.15	5.90
Valuation Expenses	-	0.15	-	-	-	-
Professional Tax	-	-	-	0.08	-	-
<b>Total (vi)</b>	<b>0.35</b>	<b>3.34</b>	<b>5.95</b>	<b>0.44</b>	<b>7.26</b>	<b>6.06</b>
Pre Incorporation Balances Written Off (vii)	<b>1.32</b>	<b>1.32</b>	<b>1.32</b>	<b>1.32</b>	<b>1.32</b>	<b>1.25</b>
<b>Total(i+ii+iii+iv+v+vi+vii)</b>	<b>34.08</b>	<b>242.42</b>	<b>194.41</b>	<b>173.63</b>	<b>152.94</b>	<b>27.24</b>
<b>Total of E</b>	<b>34.08</b>	<b>243.09</b>	<b>195.01</b>	<b>174.13</b>	<b>153.47</b>	<b>27.24</b>
<b>Total of ( A+B+C+D+F+E)</b>	<b>2,061.49</b>	<b>12,237.63</b>	<b>9,096.62</b>	<b>6,792.88</b>	<b>7,663.27</b>	<b>1,713.15</b>

1. The classification of expenses is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – S

STATEMENT OF MANDATORY ACCOUNTING RATIOS

(₹ in Lakh)

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Net Worth (A)	350.18	316.25	234.50	230.47	216.69	244.59
Restated Profit after tax	32.60	82.13	2.71	12.46	-28.51	5.85
Less: Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
<b>Adjusted Profit after Tax (B)</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>-28.51</b>	<b>5.85</b>
Number of Equity Share outstanding as on the End of Year/Period (C)	2500000	2500000	2500000	2500000	2500000	2500000
Weighted average no of Equity shares at the time of end of the year (D)	2500000	2500000	2500000	2500000	2500000	57753
Current Assets (E)	2148.09	1810.28	1316.47	898.37	786.40	834.89
Current Liabilities (F)	1623.87	1317.29	800.13	754.10	754.71	598.29
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
<b>EBITDA Ratio</b>						
Restated Profit after tax	32.60	82.13	2.71	12.46	-28.51	5.85
Add : Interest	46.99	187.82	116.88	116.54	113.82	26.38
Add : Provision for Tax	17.55	27.12	0.30	1.90	0.00	1.99
Add : Depreciation	10.61	45.49	54.05	65.95	73.17	12.49
Add : Amortization Expenses	1.32	1.32	1.32	1.32	1.32	1.25
<b>EBITDA</b>	<b>109.07</b>	<b>343.88</b>	<b>175.26</b>	<b>198.18</b>	<b>159.80</b>	<b>47.97</b>
<b>Earnings Per Share</b>						
Restated Basic and Diluted Earnings Per Share (₹) (B/D)	1.30	3.29	0.11	0.50	-1.14	10.14
<b>Return on Net worth (%) (B/A)</b>	<b>9.31</b>	<b>25.97</b>	<b>1.15</b>	<b>5.41</b>	<b>-13.16</b>	<b>2.39</b>
<b>Net asset value per share (A/C) (Face Value of ₹ 10 Each)</b>	<b>14.01</b>	<b>12.65</b>	<b>9.38</b>	<b>9.22</b>	<b>8.67</b>	<b>9.78</b>
Current Ratio (E/F)	1.32	1.37	1.65	1.19	1.04	1.40

Notes:

1) The ratios have been computed as below:

a. **Basic earnings per share (₹) =** 
$$\frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

b. **Diluted earnings per share (₹) =** 
$$\frac{\text{Net profit after tax as restated for calculating diluted EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS}}$$



c. **Return on net worth (%)** = 
$$\frac{\text{Net profit after tax (as restated)} * 100}{\text{Net worth at the end of the period or year}}$$

d. **Net assets value per share** = 
$$\frac{\text{Net Worth at the end of the period or year}}{\text{Total number of equity shares outstanding at the end of the period or year}}$$

- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss) less miscellaneous expenditure to the extent not written off.
- 4) The figures disclosed above are based on the standalone restated summary statements of the Company.
- 5) The Figures for the period ended June 30, 2018 are not annualised.
- 6) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – T

## RELATED PARTY TRANSACTIONS

(₹ in Lakh)

## Name of Relatives of Promoter /Director

Relationship with Promoter/Director	Mr. NitinbhaiGovindbhai Patel	Mr. KushalNitinbhai Patel	Mr. AmitbhaiGovindbhai Patel
Father	Mr. GovindbhaiAmbalalBhai Patel	Mr. NitinbhaiGovindbhai Patel	Mr. GovindbhaiAmbalalBhai Patel
Mother	Mrs. SavitabenGovindbhai Patel	Mrs. GitabenNitinbhaiPael	Mrs. SavitabenGovindbhai Patel
Spouse	Mrs. Gitaben Nitinbhai Patel	Mrs. PoojaKushal Patel	Mrs. Gitaben Amitbhai Patel
Brothers	Mr. AmitkumarGovindbhai Patel	-	Mr. NitinbhaiGovindbhai Patel
Sisters	Mrs. PritibenJitendrakumar Patel	-	Mrs. PritibenJitendrakumar Patel
	Mrs. Hinaben B Patel		Mrs. Hinaben B Patel
Sons	Mr. KushalNitinbhai Patel	-	Mr. JimitAmitbhai Patel
Daughter	-	-	Ms. Riya Amit Patel
Spouse's Father	Mr. ChandrakantGovindlal Patel	Mr. Dinesh Kumar Sitaram Bhai Patel	Mr. Nathalal B Patel
Spouse's Mother	Mr. Lilavati C Patel	Mr. RekhabenDineshkumar Patel	Mrs. ChampabenNathalal Patel
Spouse's Brothers	Mr. Hemant C Patel	Mr. Hit Dineshkumar Patel	Mr. Kanaiyalal N Patel
Spouse's Sisters	Mrs. NaliniNayanbhai Patel	-	-
Karta of HUF	NitinbhaiGovindbhai Patel HUF	-	AmitbhaiGovindbhai Patel HUF
Relative	AnjanabenPrafulbhai Patel	-	-
Relative	BhavnabenRajendrabhai Patel	-	-
Relative	DiptiHemantbhai Patel	-	-
Relative is Proprietor	Gajlaxmi Cotton Industries	-	-
Relative	KokilabenBaladevbhai Patel	-	-
Relative	KaxilPrafulbhai	-	-
Relative	PrafulbhaiBaldevbhai Patel	-	-
Relative	RajendrabhaiBaldevbhai Patel	-	-
Relative	VishalkumarHemantbhai Patel	-	-

## Companies /Proprietary Firm /Partnership Firm in which Directors are interested /are Partners

Name	Status	Nature of Relationship
Gajlaxmi Cotton Industries	Proprietary Firm	Relative of Director is proprietor
Aditya Oil Industry	Partnership Firm	Directors are Partner in Firm
Axita Exports Private Limite	Body Corporate	Directors have Controlling Interest in this Entity
Amit Provision Store	Proprietary Firm	Director is Proprietor
Geeta Trading Company	Sole Proprietorship	Director is Proprietor
Shreenathji Enterprise	Sole Proprietorship	Relative of Director is proprietor

**NAMES OF THE RELATED PARTIES WITH WHOM TRANSACTION WERE CARRIED OUT DURING THE YEARS AND DESCRIPTION OF RELATIONSHIP:**

**KEY MANAGERIAL PERSON**

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
<b>Remuneration to</b>						
Amitbhai Patel (Director)	4.50	18.00	16.50	5.70	3.60	2.00
Nitinbhai Patel (Director)	4.50	18.00	16.50	5.70	3.60	2.00
Kushalbhai Patel (Director)	4.50	18.00	16.50	5.70	3.60	2.00
Riya Patel (Relative Director)	0.77	3.02	2.30	-	-	-
<b>Total</b>	<b>14.27</b>	<b>57.02</b>	<b>51.80</b>	<b>17.10</b>	<b>10.80</b>	<b>6.00</b>
<b>Loan from Amitbhai Patel ( Director)</b>						
Opening Balance	126.42	122.51	73.20	21.47	-	-
Amount Raised	2.00	29.38	112.83	158.42	60.63	-
Amount Repaid	-	25.47	63.52	106.69	39.15	-
<b>Closing Balance</b>	<b>128.42</b>	<b>126.42</b>	<b>122.51</b>	<b>73.20</b>	<b>21.47</b>	<b>-</b>
<b>Loan from Nitinbhai Patel(Director)</b>						
Opening Balance	124.41	171.27	73.72	23.41	-	-
Amount Raised	5.00	43.83	248.07	199.32	65.56	-
Amount Repaid	-	90.69	150.52	149.01	42.16	-
<b>Closing Balance</b>	<b>129.41</b>	<b>124.41</b>	<b>171.27</b>	<b>73.72</b>	<b>23.41</b>	<b>-</b>
<b>Loan from Kushalbhai Patel (Director)</b>						
Opening Balance	205.74	171.30	22.21	15.12	-	-
Amount Raised	2.00	87.46	209.52	147.69	53.26	-
Amount Repaid	-	53.02	60.43	140.60	38.15	-
<b>Closing Balance</b>	<b>207.74</b>	<b>205.74</b>	<b>171.30</b>	<b>22.21</b>	<b>15.12</b>	<b>-</b>
<b>Loan from Aaditiya Oil Industries (Directors are partner in Firm )</b>						
Opening Balance	-	-	-	-	-	-
Amount Raised	-	-	-	-	193.00	287.29
Amount Repaid	-	-	-	-	193.00	287.29
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tractor Rent Paid to Nitin Bhai (Director)</b>	<b>-</b>	<b>0.60</b>	<b>1.32</b>	<b>1.44</b>	<b>1.44</b>	<b>0.24</b>
<b>Aditya Oil Industries ( Directors are partner in Firm ) #</b>						
<b>Purchases</b>	<b>543.94</b>	<b>1,637.10</b>	<b>2,272.46</b>	<b>882.59</b>	<b>782.19</b>	<b>262.04</b>

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
<b>Sales</b>	36.46	2,046.48	2,535.48	1,437.05	893.11	33.13
<b>Closing Balance { (Payable)/Receivable}</b>	(440.86)	-	-	-	43.22	-
<b>Axita Exports Pvt Ltd ( Same Management in Company )#</b>						
<b>Sales</b>	972.14	6,448.58	1,971.72	-	-	-
<b>Purchases</b>	36.18	722.39	583.31	-	-	-
<b>Job Charges and Other</b>	-	18.76	0.60	-	-	-
<b>Closing Balance { (Payable)/Receivable}</b>	1,462.32	512.30	198.31	-	-	-

# Note: Sale and Purchase amount mentioned are exclusive of Taxes/GST

#### RELATIVES OF KEY MANAGEMENT PERSONNEL WITH WHOM TRANSACTIONS HAVE TAKEN PLACE

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
<b>Loans and Advances from Related Party</b>						
<b>AnjanabenPratulbhai Patel (Relative Director)</b>						
Opening Balance	-	-	-	-	4.59	-
Add : Amount Received	-	-	-	-	0.13	4.60
Less : Amount Paid	-	-	-	-	4.72	0.01
Closing Balance					-	<b>4.59</b>
<b>BhavnabenRajendrabhai Patel (Relative Director)</b>						
Opening Balance	-	-	-	-	4.70	-
Add : Amount Received	-	-	-	-	0.13	4.71
Less : Amount Paid	-	-	-	-	4.83	0.01
Closing Balance					-	4.70
<b>DiptiHemantbhai Patel (Relative Director)</b>						
Opening Balance	-	-	-	-	3.06	-
Add : Amount Received	-	-	-	-	0.09	3.07
Less : Amount Paid	-	-	-	-	3.15	0.01
Closing Balance					-	<b>3.06</b>
<b>Gajlaxmi Cotton Industries (Relative of Director is Proprietor)</b>						
Opening Balance	-	-	-	-	36.44	-
Add : Amount Received	-	-	25.00	-	1.03	36.71
Less : Amount Paid	-	-	25.00	-	37.47	0.27

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Closing Balance	-	-	-	-	-	<b>36.44</b>
<b>KokilabenBaladevbhai Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	0.66	-
Add : Amount Received	-	-	-	-	0.02	0.66
Less : Amount Paid	-	-	-	-	0.68	-
Closing Balance	-	-	-	-	-	<b>0.66</b>
<b>KaxilPrafulbhai (Relative of Director)</b>						
Opening Balance	-	-	-	-	2.64	-
Add : Amount Received	-	-	-	-	0.07	2.64
Less : Amount Paid	-	-	-	-	2.72	-
Closing Balance	-	-	-	-	-	<b>2.64</b>
<b>PrafulbhaiBaldevbhai Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	10.18	-
Add : Amount Received	-	-	-	-	0.28	10.20
Less : Amount Paid	-	-	-	-	10.46	0.02
Closing Balance	-	-	-	-	-	<b>10.18</b>
<b>RajendrabhaiBaldevbhai Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	12.46	<b>0</b>
Add : Amount Received	-	-	-	-	0.35	12.49
Less : Amount Paid	-	-	-	-	12.81	0.02
Closing Balance	-	-	-	-	-	<b>12.46</b>
<b>VishalkumarHemantbhai Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	14.13	-
Add : Amount Received	-	-	-	-	0.39	14.16
Less : Amount Paid	-	-	-	-	14.52	0.03
Closing Balance	-	-	-	-	-	<b>14.13</b>
<b>Axitaben Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	-	-
Add : Amount Received	-	-	-	-	-	13.00
Less : Amount Payable	-	-	-	-	-	13.00
Closing Balance	-	-	-	-	-	-

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
<b>Gitaben Patel (Relative of Director)</b>						
Opening Balance	33.85	51.53	-	-	-	-
Add : Amount Received	-	3.70	51.53	-	-	-
Less : Amount Paid	-	21.37	-	-	-	-
Closing Balance	<b>33.85</b>	<b>33.85</b>	<b>51.53</b>	-	-	-
<b>Gitaben N Patel (Relative of Director)##</b>						
Opening Balance	-	30.02	-	-	-	-
Add : Amount Received	-	24.82	30.02	2.00	5.00	-
Less : Amount Paid	5.44	54.84	-	2.00	5.00	-
Closing Balance	<b>(5.44)</b>	-	<b>30.02</b>	-	-	-
<b>Amitbhai Patel (Director)</b>						
Opening Balance	126.42	122.51	73.20	21.47	-	-
Add : Amount Received	2.00	29.38	112.83	158.42	60.63	-
Less : Amount Paid	-	25.47	63.52	106.69	39.15	-
Closing Balance	<b>128.42</b>	<b>126.42</b>	<b>122.51</b>	<b>73.20</b>	<b>21.47</b>	-
<b>Savitaben Patel (Relative of Director)</b>						
Opening Balance	-	-	-	-	-	-
Add : Amount Received	-	-	-	-	-	14.00
Less : Amount Paid	-	-	-	-	-	14.00
Closing Balance	-	-	-	-	-	-
<b>Interest Received/(Paid) from/to Related party</b>						
AmitbhaiGovindbhai Patel	(3.85)	(12.88)	(4.58)	(1.92)	(1.53)	-
Nitinbhai Patel	(3.88)	(12.68)	(2.22)	(0.07)	(1.57)	-
Kushalbhai Patel	(6.23)	(18.06)	(0.92)	(0.99)	(1.46)	-
Geetaben A Patel	(1.02)	(3.69)	(0.03)	-	-	-
Geetaben N Patel	-	(1.01)	(0.02)	-	-	-
Aditya Oil Industries	-	-	-	-	-	(2.42)
AnjanabenPrafulbhai Patel	-	-	-	-	(0.13)	(0.10)
BhavnabenRajendrabhai Patel	-	-	-	-	(0.13)	(0.11)
DiptiHemantbhai Patel	-	-	-	-	(0.09)	(0.07)
Gajlaxmi Cotton Industries	-	-	-	-	(1.03)	(2.71)
KokilabenBaladevbhai Patel	-	-	-	-	(0.02)	(0.01)

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
KaxilPrafulbhai	-	-	-	-	(0.07)	(0.04)
PrafulbhaiBaldevbhai Patel	-	-	-	-	(0.28)	(0.20)
RajendrabhaiBaldevbhai Patel	-	-	-	-	(0.35)	(0.24)
VishalkumarHemantbhai Patel	-	-	-	-	(0.39)	(0.26)
<b>Total</b>	<b>(14.98)</b>	<b>(48.32)</b>	<b>(7.76)</b>	<b>(2.99)</b>	<b>(7.05)</b>	<b>(6.16)</b>

## Note: Negative balance is due to cheque received from Gitaben N Patel was not honored by Bank on April 1, 2018.

## ANNEXURE – U

## STATEMENT OF CAPITALISATION

(₹ in Lakh)

Particulars	Pre Issue as at June 30, 2018	As Adjusted for the Proposed Issue
<b>Debt</b>		
Short Term Debt	1020.66	1343.88
Long Term Debt	641.13	300.94
<b>Total Debt</b>	<b>1661.79</b>	<b>1644.82</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	250.00	655.20
Reserves & Surplus	105.54	1096.54
Less: Miscellaneous Expenses not w/off	5.36	5.36
<b>Total Shareholders' Fund (Equity)</b>	<b>350.18</b>	<b>1746.38</b>
<b>Long Term Debt/Equity</b>	<b>1.83</b>	<b>0.17</b>
<b>Total Debt/Equity</b>	<b>4.75</b>	<b>0.94</b>

**Notes:**

1. Short term Debts represent the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under "Other Current Liabilities".
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2018 for pre issue and The figures disclosed above for "As adjusted for the Proposed Issue" are based on balances as per Books of Accounts as at October 31, 2018.



## ANNEXURE – V

## STATEMENT OF TAX SHELTER

(₹ in Lakh)

Sr. No.	Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
			2018	2017	2016	2015	2014
A	Profit before taxes as restated	49.49	109.24	1.57	9.99	-31.10	10.45
B	Tax Rate Applicable %	30.90	30.90	30.90	30.90	30.90	30.90
C	Tax Impact (A*B)	15.29	33.76	0.49	3.09	-9.61	3.23
	Adjustments:						
D	Permanent Differences						
	Expenditure of Capital Nature disallowed	0.00	0.00	0.00	0.00	0.00	0.00
	Expenses ( Interest on Loan) on Which TDS not deducted, disallowed u/s 40a (ia)	0.00	0.00	0.00	0.00	0.00	0.00
	Expenses ( Labour Contractor ) on Which TDS not deducted, disallowed u/s 40a (ia)	0.00	0.00	0.00	0.00	0.00	0.00
	Expenses (Processing Charges) on Which TDS not deducted, disallowed u/s 40a (ia)	0.00	0.00	0.00	0.00	0.00	0.00
	Expenses (Professional Fee) on Which TDS not deducted, disallowed u/s 40a (ia)	0.00	0.00	0.00	0.00	0.00	0.00
	Expenses Disallowed	0.00	0.00	0.00	0.00	0.00	0.00
	Disallowance U/s 14A	0.00	0.00	0.00	0.00	0.00	0.00
	Short Term Capital Loss	0.00	0.00	0.00	0.00	0.00	0.00
	Interest on Income Tax	0.00	0.06	0.03	0.00	0.19	0.00
	Donation Expenses Disallowed	0.00	0.00	0.00	0.00	0.00	0.00
	Donation to Political Party Deduction U/S 80GG	0.00	0.00	0.00	0.00	0.00	0.00
	Standard Deduction on House Property U/s 24	0.00	0.00	0.00	0.00	0.00	0.00
	Dividend Exempt Income U/s 10(35)	0.00	0.00	0.00	0.00	0.00	0.00
	Profit on Sale Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Total Permanent Differences	0.00	0.06	0.03	0.00	0.19	0.00
E	Timing Difference						
	Difference between tax depreciation and book depreciation	-7.11	-6.79	-6.66	-2.89	5.20	13.62
	Preliminary Exp. Deferred in next Five years	-0.19	1.63	1.53	1.43	1.31	1.25
	Keyman Insurance fully allowable	0.00	0.00	0.00	0.00	0.00	0.00
	Total Timing Differences	-7.30	-5.16	-5.13	-1.46	6.51	14.87

Sr. No.	Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
			2018	2017	2016	2015	2014
	Brought Forward Losses	0.00	23.65	30.38	41.84	4.42	0.00
	Profit/(Loss) as per Income tax	56.78	90.81	-23.65	-30.38	-41.84	-4.42
F	Net Adjustment (F) = (D+E)	-7.30	18.43	25.22	40.38	10.74	14.87
G	Tax Expenses/ (Saving) thereon (F*B)	-2.25	5.69	7.79	12.48	3.32	4.60
H	Tax Liability, After Considering the effect of Adjustment (C +G)	17.55	28.06	-7.31	-9.39	-12.93	-1.37
	MAT Credit Utilized	0.00	4.19	0.00	0.00	0.00	0.00
Total H	Tax Liability, After Considering the effect of MAT Credit	17.55	27.12	-7.31	-9.39	-12.93	-1.37
I	Book Profit as per MAT *	49.49	109.24	1.57	9.99	-31.10	10.45
J	MAT Rate	20.39	20.39	19.06	19.06	19.06	19.06
K	Tax liability as per MAT (I*J)	10.09	22.27	0.30	1.90	-5.93	1.99
L	Current Tax being Higher of H or K	17.55	27.12	0.30	1.90	0.00	1.99
M	Loss to be Carried forward	0.00	0.00	-23.65	-30.38	-41.84	-4.42
N	MAT Credit Entitlement	0.00	0.00	0.30	1.90	0.00	1.99
O	Total Tax expenses (L)	17.55	27.12	0.30	1.90	0.00	1.99
P	Total Tax as per Return of Income (Before Interest under Section 234A,B and C of Income Tax Act, 1961)	Refer Note 3 below	36.52	0.84	0.64	0.81	1.70
Q	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Refer Note 3 below	Normal	MAT	MAT	Normal	MAT

\* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act, 1961

**Notes:**

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax r respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc. has been adjusted in the tax liability of the year to which the liability pertains.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. As the Income Tax return can not be filed by the Company for the period of June 30, 2018, the tax payment in Income tax return filed by the company can not be determined.

**ANNEXURE – W**

**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(₹ in Lakh)

Particulars	As at June 30, 2018	As at March 31,				
		2018	2017	2016	2015	2014
Contingent liabilities in respect of:						
Claims against the company not acknowledged as debts	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees given on Behalf of the Partnership Firm (Aaditya Oil Industries )	1160.00	1160.00	0.00	0.00	0.00	0.00
Guarantees given on Behalf of the Subsidiary Company	0.00	0.00	0.00	0.00	0.00	0.00
Other moneys for which the company is contingently liable	0.00	0.00	0.00	0.00	0.00	0.00
Commitments (to the extent not provided for)						
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.00	0.00	0.00	0.00	0.00	0.00
Uncalled liability on shares and other investments partly paid	0.00	0.00	0.00	0.00	0.00	0.00
Other commitments	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1160.00</b>	<b>1160.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**OTHER FINANCIAL INFORMATION**

**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(₹ in Lakh)

Particulars	For the period ended June 30, 2018	For the year ended on March 31,				
		2018	2017	2016	2015	2014
Net Worth (A)	350.18	316.25	234.50	230.47	216.69	244.59
Restated Profit after tax	32.60	82.13	2.71	12.46	-28.51	5.85
Less: Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
<b>Adjusted Profit after Tax (B)</b>	<b>32.60</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>	<b>-28.51</b>	<b>5.85</b>
Number of Equity Share outstanding as on the End of Year/Period (C)	2500000	2500000	2500000	2500000	2500000	2500000
Weighted average no of Equity shares at the time of end of the year (D)	2500000	2500000	2500000	2500000	2500000	57753
Current Assets (E)	2148.09	1810.28	1316.47	898.37	786.40	834.89
Current Liabilities (F)	1623.87	1317.29	800.13	754.10	754.71	598.29
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
<b>EBITDA Ratio</b>						
Restated Profit after tax	32.60	82.13	2.71	12.46	-28.51	5.85
Add : Interest	46.99	187.82	116.88	116.54	113.82	26.38
Add : Provision for Tax	17.55	27.12	0.30	1.90	0.00	1.99
Add : Depreciation	10.61	45.49	54.05	65.95	73.17	12.49
Add : Amortization Expenses	1.32	1.32	1.32	1.32	1.32	1.25
<b>EBITDA</b>	<b>109.07</b>	<b>343.88</b>	<b>175.26</b>	<b>198.18</b>	<b>159.80</b>	<b>47.97</b>
<b>Earnings Per Share</b>						
Restated Basic and Diluted Earnings Per Share (₹) (B/D)	1.30	3.29	0.11	0.50	-1.14	10.14
<b>Return on Net worth (%) (B/A)</b>	<b>9.31</b>	<b>25.97</b>	<b>1.15</b>	<b>5.41</b>	<b>-13.16</b>	<b>2.39</b>
<b>Net asset value per share (A/C) (Face Value of ₹ 10 Each)</b>	<b>14.01</b>	<b>12.65</b>	<b>9.38</b>	<b>9.22</b>	<b>8.67</b>	<b>9.78</b>
Current Ratio (E/F)	1.32	1.37	1.65	1.19	1.04	1.40

**Notes:**

1) The ratios have been computed as below:

a. **Basic earnings per share (₹)** = 
$$\frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

b. **Diluted earnings per share (₹)** = 
$$\frac{\text{Net profit after tax as restated for calculating diluted EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS}}$$

c. **Return on net worth (%)** = 
$$\frac{\text{Net profit after tax (as restated)} * 100}{\text{Net worth at the end of the period or year}}$$

d. **Net assets value per share** = 
$$\frac{\text{Net Worth at the end of the period or year}}{\text{Total number of equity shares outstanding at the end of the period or year}}$$

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss) less miscellaneous expenditure to the extent not written off.
- 4) The figures disclosed above are based on the standalone restated summary statements of the Company.
- 5) The Figures for the period ended June 30, 2018 are not annualised.
- 6) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "RISK FACTORS" beginning on page no. 14 of this Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### Business Overview

Our Company was incorporated as "Axita Cotton Private Limited" at Ahmedabad on July 16, 2013, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent up on the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to "Axita Cotton Limited" and fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad. The Corporate Identification Number of our Company is U17200GJ2013PLC076059.

Before incorporating our company, our Promoters, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel along with other relatives started business under a Partnership Firm named, Aditya Oil Industries ("firm") in the year 2007. It was formed to start business of production and trading of Seed cotton ("Kapas"), Cotton Seed, Cotton Seed Oil, Cotton cake etc and for which land admeasuring area of 5708 Square Meters was acquired at Chattral, Kadi Road, Mehsana. There were 6 oil expeller installed for producing cotton seed oil in Aditya Oil Industries and the firm has an annual capacity of producing approximately 3153.6 MT/ Per annum of cotton seed oil. After two years, firm was successful in making good profits from production and selling cotton seed oil, promoters expanded business by adding corn oil to their product portfolio by installing machineries for corn oil production in the same space of land. In the year 2011, firm acquired land adjacent to existing land at Kadi and set up the cotton Ginning and Pressing Plant, having installed capacity of processing 26280 MT/ Per annum of seed cotton.

After gaining experience of 2 years in cotton industry, our promoters acquired land admeasuring area of 9961 Square Meteres at Survey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana and floated our company in the year 2013. Our company was established with the main aim of conducting business of Ginning and Pressing of seed cotton ("Kapas"). Our Company has installed 48 Ginning and Pressing machines which is having capacity of processing 87,600 MT/Per annum of seed cotton. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company.

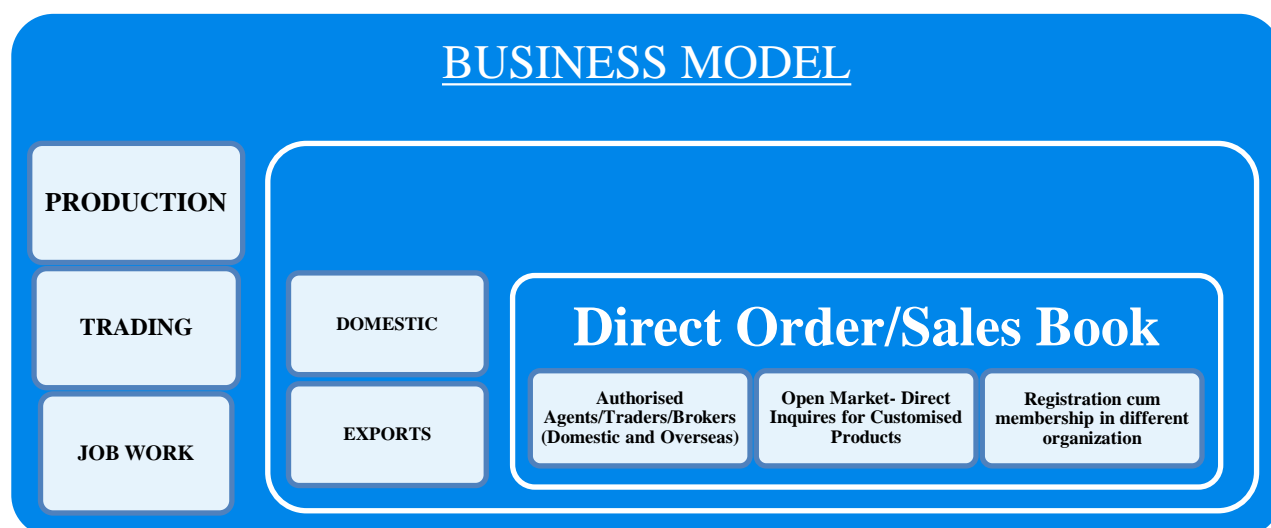
Our Company is producing cotton bales and cotton seeds. Our Company is producing mainly two varieties of cotton bales namely Shankar-6 and MCU-5/MECH. The production facility of our Company is situated at Kadi in Mahesana District of Gujarat state which is close to the rich cotton growing areas of Maharashtra, Saurashtra and other regions of Gujarat. Our products are sold majorily in the state of Gujarat, Rajasthan, Maharashtra and Madhya Pradesh.

We are also engaged in the business of trading of Kapas, cotton bales and cotton seeds. We are also doing ginning and pressing of Kapas on job work basis. We are ISO 9001:2015 certified company by OCI (Optimum Certifications INC.). We are also member of Better Cotton Initiatives (Independent Organization) which promotes better standards in cotton farming and practices across various countries. We have also registered our company under Textile Certification Global Organic Textile Standard (GOTS) Standard.

Then after in 2015, under leadership of one of our Promoter – Mr. Kushal Nitinbhai Patel started exporting our products through merchandise exporters. From Financial year 2016-2017 onwards, our company also commenced exporting our products directly to few countries namely Pakistan, Bangladesh and Vietnam. During the FY 2016, our promoters again floated a new private limited company named, Axita Exports Private Limited ("AEPL"), a group company, which was incorporated with the aim of exporting of cotton bales to various countries. AEPL exports cotton bales in Bangladesh, Vietnam, China and Pakistan, purchased from our company and also exports locally purchased cotton bales from other suppliers.

The Promoters of our Company Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel have more than one decade of experience in the cotton textile industry. Our Promoters have sound knowledge of production process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to production and marketing of raw cotton, Cotton bales, Cotton seeds and by-products. Our revenue from

operation has reached to ₹12327.02 Lakhs in the F.Y. 2017-18 as compared to ₹1736.08 Lakhs in its first financial year after incorporation i.e. F.Y. 2013-14



### Significant developments subsequent to the Last Audited Period:

After the date of last Audited accounts i.e. June 30, 2018, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However following material events have occurred after the last audited period.

- As at October 31, 2018, Company has repaid loan of ₹316.06 Lakhs to Directors and their relatives.
- Our Company has made Right Issue - Allotment of 2300000 Fully Paid up Equity Shares of ₹ 10/- each, in the Ratio of 23 Equity Shares for each 25 Equity Shares held on September 8, 2018, at ₹ 15/- per Equity Share, i.e. at price lower than the Issue Price, details of which are as follows;

Sr. No.	Name of Allottee	Category of Allottee	No. of Equity Shares Allotted*	Face Value per share (in ₹)	Issue Price per share (in ₹)	Reason
1.	Mr. Nitinbhai Govindbhai Patel	Promoter	900000	10	15	To enhance the Equity Base of the Company
2.	Mr. Kushal Nitinbhai Patel	Promoter	1291624	10	15	
3.	Mrs. Gitaben Nitinbhai Patel	Promoter Group	108376	10	15	
<b>Total</b>			<b>2300000</b>			-

### Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the period ended on June 30, 2018 and for the years ended March 31; 2016, 2017 and 2018.

### FACTORS THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS:-

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the Renewable energy/Solar Power Industry;
- Inability to successfully obtain registrations in a timely manner or at all;
- Competition from existing players;
- Company's ability to successfully implement growth strategy;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Disruption in our cotton textile business;

- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Recession in the market;
- Disruption in supply of Raw Materials at our production facilities;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Occurrence of Environmental Problems & Uninsured Losses;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- The timely completion of the Company's orders;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure IV" beginning under Chapter titled "RESTATED FINANCIAL INFORMATION" beginning on page no. 121 of the Prospectus.

### Financial performance of the stub period for the period ended on June 30, 2018

(₹ In Lakhs)

Income from continuing operations	For the period ended on June 30, 2018	Percentage
Revenue from operations	2,116.66	99.77
Other Income	4.93	0.23
<b>Total Revenue</b>	<b>2,121.59</b>	
<b>Expenses</b>		
Cost of Goods Consumed	1,057.43	49.84
Purchase of Traded Goods	621.43	29.36
Changes in Inventories of finished goods, work in progress and stock -in-trade	276.25	13.05
Employee benefits expense	25.30	1.19
Finance Costs	46.99	2.22
Depreciation and amortisation expenses	10.61	0.50
Other expenses	34.08	1.61
<b>Total Expenses</b>	<b>2,072.11</b>	<b>97.67</b>
<b>Restated profit before tax before exceptional and Extraordinary Items.</b>	<b>49.49</b>	<b>2.33</b>
<b>Exceptional Item</b>	-	
<b>Tax expense/(income)</b>	-	
Current tax	17.12	
Short/Excess Provision of Earlier Year	0	
Deferred Tax	(0.66)	
Total tax expense	16.89	
<b>Restated profit after tax from continuing operations</b>	<b>32.60</b>	<b>1.54</b>

#### Total Revenue

The total income for the period ended June 30, 2018 is ₹ 2121.59 Lakh which includes revenue from operations i.e. from production and trading of cotton bales and cotton seeds amounting to ₹ 2116.66 Lakh and Other Income of ₹ 4.93 Lakh. The other income includes discount received, interest subsidy and duty drawback income.

#### Expenditure:



### Cost of Goods Consumed

The total cost of materials Consumed was ₹ 1057.43 Lakh for period ended on June 30, 2018 which is 49.84% of the Revenue from operations.

### Changes in Inventories of finished goods, work in progress and stock -in-trade

The Changes in Inventories of finished goods/work in progress/stock -in-trade was 276.25 Lakh for period ended on June 30, 2018 which is 13.05% of the Revenue from operations.

### Employee Benefit Expenses

Employee Benefit expenses was ₹25.30 Lakhs for period ended on June 30, 2018. The Employee Benefit expense was 1.19% of Revenue from operations.

### Finance Costs

Finance Costs for period ended on June 30, 2018 was ₹ 46.99 Lakh. During this period, the Finance cost was 2.22% of Revenue from operations.

### Depreciation and amortisation expense

Depreciation and amortisation expense for period ended on June 30, 2018 was ₹10.61 Lakhs which is 0.50% of Revenue from operations.

### Other Expenses

Other Expenses were ₹ 34.08 Lakh for period ended on June 30, 2018. The Other expense was 1.61% of Revenue from operations.

The majority of other expense includes insurance expenses, spare parts, custom clearing charges, electricity expense, quality allowance expense, brokerage, postage and courier expenses, etc.

### Restated profit before tax from continuing operations

Profit before Tax for period ended on June 30, 2018 stood at ₹ 49.49 Lakh. During this period, our Company recorded Profit before Tax margin of 2.33% of total income of the Company during this period.

### Restated profit after tax from continuing operations

Profit after Tax for period ended on June 30, 2018 stood at ₹ 32.60 Lakh. During this period, our Company recorded Profit after Tax margin of 1.54% of total income of the Company during this period.

## RESULTS OF OUR OPERATION

Particulars	For the year ended on		
	March 31, 2018	March 31, 2017	March 31, 2016
Revenue from operations	12345.78	9023.06	6808.83
<b>Total Revenue</b>	<b>12,345.78</b>	<b>9,023.06</b>	<b>6,808.83</b>
% of growth	36.82	32.52	
Other Income	46.58	129.18	67.12
% of growth	(63.94)	92.46	
<b>Total income</b>	<b>12,392.36</b>	<b>9,152.24</b>	<b>6875.95</b>
% of growth	35.40	33.11	(10.76)
Expenses			
Purchases of Traded Goods	2,720.39	3,436.49	1,010.65
% Increase/(Decrease)	(20.84)	240.03	
Cost of Goods Consumed	8,837.17	5,502.86	5,637.39
% Increase/(Decrease)	60.59	(2.39)	(13.51)
Changes in inventories in stock-in-trade	152.77	(228.56)	(177.95)

Employee benefits expense	96.39	73.95	32.11
% Increase/(Decrease)	30.34	130.28	49.60
Finance Costs	187.82	116.88	116.54
% Increase/(Decrease)	60.69	0.29	2.39
Other expenses	243.09	195.01	174.13
% Increase/(Decrease)	24.65	11.99	13.47
Depreciation and amortisation expenses	45.49	54.05	65.95
% Increase/(Decrease)	(15.84)	(18.05)	(9.87)
<b>Total Expenses</b>	<b>12,283.11</b>	<b>9,150.67</b>	<b>6,858.83</b>
% to total revenue	99.12	99.98	99.75
Profit/(Loss) Before Extra Ordinary Items and Tax	109.24	1.57	17.12
% to total revenue	0.88	0.02	0.25
Exceptional Items	0.00	0.00	7.12
Profit before Tax	109.24	1.57	9.99
Total tax expense	27.11	(1.13)	(2.46)
Profit and Loss for the period as Restated	82.13	2.71	12.46
% to total revenue	0.66	0.03	0.18
<b>Profit and Loss for the period as Restated</b>	<b>82.13</b>	<b>2.71</b>	<b>12.46</b>
<b>% Increase/(Decrease)</b>	<b>2936.00</b>	<b>(78.29)</b>	<b>143.69</b>

## COMPARISON OF FY 2017-18 WITH FY 2016-17:

### Income from Operations

The company is into production of cotton bales and cotton seeds. The total income from operations for the FY 2017-18 was ₹ 12345.78 Lakh as compared to ₹9023.06 Lakh during the FY 2016-17 showing an increase of 36.82%. Income from Operations increased on account of increase in Domestic Sales from ₹8658.93 Lakh in the FY 2016-17 to Domestic Sales of ₹10685.86 Lakh in FY 2017-18 and due to increase in Export Sales from ₹314.13 Lakh in FY 2016-17 as compared to ₹1659.92 Lakh in F.Y. 2017-18.

### Other Income

The other income includes mainly interest income, interest subsidy, vat refund income and duty drawback income. The total other income for the FY 2017-18 was ₹ 46.58 Lakh as compared to ₹129.18 Lakh for FY 2016-17 showing decrease of 63.94%.

### Expenditure:

#### Purchase of Traded Goods

Purchase of Traded Goods for FY 2017-18 was ₹2720.39 Lakh as against the Purchase of Traded Goods for FY 2016-17 was ₹3,436.49 Lakh. Purchase of Traded Goods decreased by 20.84 % in FY 2017-18.

#### Cost of Goods Consumed:

Cost of Goods Consumed for FY 2017-18 was ₹8837.17 Lakh as against the Cost of Goods Consumed of ₹ 5502.86 Lakh for the FY 2016-17. Cost of Goods Consumed increased by 60.59% in FY 2017-18 due to increase in the turnover of the Company in FY 2017-18 as compared to FY 2016-17.

#### Employee Benefit Expenses

Employee Benefit expenses increased from ₹73.95 Lakh for FY 2016-17 to ₹96.39 Lakh for FY 2017-18 showing an increase of 30.34% over previous year, i.e. F.Y. 2016-17.

#### Finance Cost

Finance cost increased from ₹116.88 Lakh for FY 2016-17 to ₹187.82 Lakh for FY 2017-18 showing an increase of 60.69%. The finance cost in the FY 2017-18 were more compared to FY 2016-17 on account of more utilization of long term borrowings from bank/Financial institutions.

## Depreciation

The Depreciation and amortization expense for FY 2017-18 was ₹45.49 Lakh as compared to ₹ 54.05 Lakh for FY 2016-17 which is a decrease of 15.84% in FY 2017-18.

## Other Expenses

Other Expenses increased from ₹ 195.01 Lakh for FY 2016-17 to ₹243.09 Lakh for FY 2017-18 showing an increase of 24.65%. The increase was on account of increase in Insurance expenses, GST expenses, audit fees and interest on income tax in FY 2017-18 as compared to FY 2016-17.

## Profit before Extra Ordinary Items and Tax

The Profit before Extra Ordinary Items and Tax for the FY 2017-18 was 0.88 % of the total income and it was 0.02 % of total income for the FY 2016-17. The Profit before Extra Ordinary Items and Tax has increased from ₹1.57 Lakh in FY 2016-17 to ₹109.24 Lakh due to increase in Sales from ₹9023.06 Lakh in FY 2016-17 to ₹12345.78 Lakh in F.Y 2017-18 which is an increase of 36.82%.

## Profit after Tax (PAT)

PAT increased from ₹ 2.71 Lakh in the FY 2016-17 to ₹82.13 Lakh in FY 2017-18 showing increase of 2936.00 %. The profit after tax was increased due to increase in Sales from ₹9023.06 Lakh in FY 2016-17 to ₹12345.78 Lakh in F.Y 2017-18.

## COMPARISON OF FY 2016-17 WITH FY 2015-16:

### Income from Operations

The company is into production of cotton bales and cotton seeds. The total income from operations for the FY 2016-17 was ₹9023.06 Lakh as compared to ₹6808.83 Lakh during the FY 2015-16 showing an increase of 32.52%. Income from Operations increased on account of increase in Domestic Sales from ₹6435.82 Lakh in the FY 2015-16 to Domestic Sales of ₹8658.93 Lakh in FY 2016-17.

### Other Income

The other income includes mainly GEB Subsidy Income, interest income, interest subsidy, insurance claim income vat refund income, TUF subsidy income and duty drawback income. The total other income for the FY 2016-17 was ₹ 129.18 Lakh as compared to ₹67.12 Lakh for FY 2015-16 showing increase of 92.46%.

### Expenditure:

#### Purchase of Traded Goods

Purchase of Traded Goods for FY 2015-16 was ₹1010.65 Lakh as against the Purchase of Traded Goods for FY 2016-17 was ₹3,436.49 Lakh. Purchase of Traded Goods decreased by 240.03 % in FY 2016-17.

#### Cost of Goods Consumed:

Cost of Goods Consumed for FY 2016-17 was ₹5502.86 Lakh as against the Cost of Goods Consumed of ₹ 5637.39 Lakh for the FY 2015-16. Cost of Goods Consumed decreased by 2.39% in FY 2016-17 due to marginally less purchases in FY 2016-17 as compared to FY 2015-16.

#### Employee Benefit Expenses

Employee Benefit expenses increased from ₹32.11 Lakh for FY 2015-16 to ₹73.95 Lakh for FY 2016-17 showing an increase of 130.28% over previous year, i.e. F.Y. 2015-16.

#### Finance Cost

Finance cost increased from ₹116.54 Lakh for FY 2015-16 to ₹116.88 Lakh for FY 2016-17 showing an increase of 0.29%. The finance cost in the FY 2016-17 were more as compared to FY 2015-16 on account of more utilization of long term borrowings from bank/Financial institutions.

## Depreciation

The Depreciation and amortization expense for FY 2016-17 was ₹54.05 Lakh as compared to ₹ 65.95 Lakh for FY 2015-16 which is a decrease of 18.05% in FY 2016-17.

## Other Expenses

Other Expenses increased from ₹ 174.13 Lakh for FY 2015-16 to ₹195.01 Lakh for FY 2016-17 showing an increase of 11.99%. The increase was on account of increase in Insurance expenses, VAT, audit fees, quality allowance expense, weight shortage on sales etc., in FY 2016-17 as compared to FY 2015-16.

## Profit before Extra Ordinary Items and Tax

The Profit before Extra Ordinary Items and Tax for the FY 2016-17 was 0.02 % of the total income and it was 0.25 % of total income for the FY 2015-16. The Profit before Extra Ordinary Items and Tax has decreased from ₹17.12 Lakh in FY 2015-16 to ₹1.57 Lakh due to increase in Total Expenditure from ₹6858.83 Lakh in FY 2015-16 to ₹9150.67 Lakh in FY 2016-17 which is an increase of 99.98% in FY 2016-17.

## Profit after Tax (PAT)

PAT decreased from ₹ 12.46 Lakh in the FY 2015-16 to ₹2.71 Lakh in FY 2016-17 showing a decrease of 78.29%. The profit after tax was decreased due to increase in Total Expenditure from ₹6858.83 Lakh in FY 2015-16 to ₹9150.67 Lakh in FY 2016-17 which is an increase of 99.98% in FY 2016-17.

## RELATED PARTY TRANSACTIONS

For further information please refer “Annexure – T” beginning on page no. 164 under Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on page no. 121 of the Prospectus.

## FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

### INTEREST RATE RISK

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

### EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## INFORMATION REQUIRED AS PER ITEM (2) (C) (I) (11) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:

### Factors that may affect the results of the operations:

#### 1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years except during the F.Y. 2015-16, fire was occurred in our production plant resulting into loss of operations for few days which affected our performance in the said financial year.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “RISK FACTORS” beginning on page no. 14 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “RISK FACTORS” beginning on page no. 14 of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Increases in revenues are by and large linked to increase in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

The company is into production of cotton bales and cotton seeds. Relevant Industry data, as available, has been included in the chapter titled “INDUSTRY OVERVIEW” beginning on page no. 68 of this Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment.

**8. The extent to which business is seasonal.**

The raw material used by our Company is seed cotton (“Kapas”). Due to the seasonal availability of the Kapas, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season. On an average our production facilities operates for a period of approximately for 8 (eight) months in a year. During the crop season, we are able to procure the Kapas at reasonable terms and in large quantities. Whereas during the off season the availability of the Kapas is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole financial year. Due to seasonal and cyclical industry, the availability of Kapas at reasonable terms and in requisite quantities may not be available, as a result our results of operations and financial conditions may adversely affect.

**9. Any significant dependence on a single or few suppliers or customers.**

As per our books of Accounts, our top ten customers contributes almost 92.29% and 87.85% of our total sales for the period ended June 30, 2018 and for the year ended March 31, 2018 respectively. Out of which almost 47.65% and 68.81% was contributed by our group company/entity – “Axita Exports Private Limited” and “Aditya Oil Industries” for the period ended June 30, 2018 and for the year ended March 31, 2018 respectively.

Our Company is not dependent on any single or few suppliers.

**10. Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titles “BUSINESS OVERVIEW” beginning on page no. 75 of this Prospectus.

## CAPITALIZATION STATEMENT

### STATEMENT OF CAPITALISATION

(₹ in Lakh)

Particulars	Pre Issue as at June 30, 2018	As Adjusted for the Proposed Issue
<b>Debt</b>		
Short Term Debt	1020.66	1343.88
Long Term Debt	641.13	300.94
<b>Total Debt</b>	<b>1661.79</b>	<b>1644.82</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	250.00	655.20
Reserves & Surplus	105.54	1096.54
Less: Miscellaneous Expenses not w/off	5.36	5.36
<b>Total Shareholders' Fund (Equity)</b>	<b>350.18</b>	<b>1746.38</b>
<b>Long Term Debt/Equity</b>	<b>1.83</b>	<b>0.17</b>
<b>Total Debt/Equity</b>	<b>4.75</b>	<b>0.94</b>

**Notes:**

1. Short term Debts represent the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under "Other Current Liabilities".
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2018 for pre issue and The figures disclosed above for "As adjusted for the Proposed Issue" are based on balances as per Books of Accounts as at October 31, 2018.

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

#### Note:

*Pursuant to Board Resolution passed by the Board of Directors of our Company on October 16, 2018; for the purpose of this Issue and this Chapter;*

*“Material Dues” means outstanding dues to creditors in excess of ₹ 1.00 lakh as per financial statement for the period ended on June 30, 2018.*

*“Pending Material Litigations” means all pending litigations, if the monetary amount of claim by or against the entity or person in such pending matter exceeds ₹ 10.00 lakhs;*

*Provided that in case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation be considered as “Pending Material Litigations” only in the event when the outcome of such litigation has an adverse effect on the operations or performance of our Company.*

*Provided further that criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/Entities shall be considered “Pending Material Litigations” irrespective of amount involved therein.*

Except, as stated in this section and mentioned elsewhere in this Prospectus, there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies/Entities or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, or Group Companies/Entities.

Except as disclosed below, there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined above) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors as per financial statement for the year ended on March 31, 2018.

#### 1. Outstanding litigations involving our Company

(a) **Litigations by Company: NIL**

(b) **Litigation against Company:**

##### **Under Income Tax Act, 1961**

- i. The Income Tax Department has issued notice under Section 143(2) of the Income Tax Act, 1961 initiating the Scrutiny (Computer Aided Scrutiny Selection) for the assessment year 2017-18 (financial year 2016-17) giving opportunity to the Company to produce or cause to produce any evidence on which you may like to rely in support of the said return of income. Based on record available, last date for the submission was October 3, 2018. No further intimation is available for the same.
- ii. Following Demands for Tax Deducted at Source are raised by Income Tax;

(Amount in ₹)

Sr. No.	Financial Year	Quarter	Form	Type of Default	Default Amount	Payable Amount	Net Payable Amount
1	2018-19	Q2	24Q	Interest on Late Payment	2025.00	2025.00	2030.00
2	2017-18	Q2	24Q	Late Filing levy	400.00	400.00	400.00
		Q3	24Q	Interest on Late Payment	1012.50	1012.50	1010.00
			26Q	Interest on Late Payment	1209.00	1037.00	1040.00
3	2016-17	Q1	24Q	Interest on Late Payment	1350.00	1350.00	1350.00
			26Q	Interest on Late Payment	535.50	527.50	530.00
4	2015-16	Q3	24Q	Interest on Late Payment	225.00	225.00	230.00
5	2014-15	Q3	24Q	Interest on Late Deduction	360.00	360.00	360.00
6	2013-14	Q3	26Q	Interest on Late Payment	124.50	124.50	720.00
				Late Filing Levy	600.00	600.00	
		Q4	26Q	Interest on Late Payment	2466.00	2466.00	2470.00

## 2. Outstanding litigations involving Our Promoters.

(a) Litigations by Promoters: NIL

(b) Litigation against Promoters:

i. Against Mr. Nitinbhai Govindbhai Patel:

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Nitinbhai Govindbhai Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2017-18	143(1)(a)	2017201737076648292T	November 28, 2017	79,940.00

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Amitkumar Govindbhai Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2013-14	220(2)	2018201337029818054T	August 25, 2018	40.00
2016-17	220(2)	2018201637029822842T	August 25, 2018	400.00
2017-18	143(1)(a)	2017201737072396655T	November 19, 2017	4460.00

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Kushal Nitinbhai Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2014-15	143(1)(a)	2015201410005981142T	November 28, 2015	3130.00

## 3. Outstanding litigations involving Our Directors.

(a) Litigations by Directors: NIL

(b) Litigation against Directors:

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Nitinbhai Govindbhai Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2017-18	143(1)(a)	2017201737076648292T	November 28, 2017	79,940.00

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Amitkumar Govindbhai Patel;



Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2013-14	220(2)	2018201337029818054T	August 25, 2018	40.00
2016-17	220(2)	2018201637029822842T	August 25, 2018	400.00
2017-18	143(1)(a)	2017201737072396655T	November 19, 2017	4460.00

Under the Income Tax Act, 1961, following demand is outstanding against Mr. Kushal Nitinbhai Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2014-15	143(1)(a)	2015201410005981142T	November 28, 2015	3130.00

Mr. Rakesh Mahendrakumar Patel: NIL

Mr. Dhruven Shaileshbhai Patel: NIL

Under the Income Tax Act, 1961, following demand is outstanding against Mrs. Diptiben Hemantkumar Patel;

Assessment Year	Section Code	Demand Identification Number	Date on which Demand is raised	Outstanding Demand (in ₹)
2017-18	143(1)(a)	2017201737081573360T	December 25, 2017	230.00

**4. Outstanding litigations involving Our Group Companies/Entities.**

(a) Litigation by Group Companies/Entities: NIL

(b) Litigation against Group Companies/Entities: NIL

**A. Under the Income Tax Act, 1961 - against Axita Exports Private Limited:**

Following Demands for Tax Deducted at Source are outstanding against Axita Exports Private Limited

(Amount in ₹)

Sr. No.	Financial Year	Quarter	Form	Type of Default	Default Amount	Payable Amount	Net Payable Amount	
1	2018-19	Q1	26Q	Short Payment	4200.00	4200.00	5950.00	
				Short Deduction	831.80	831.80		
				Interest on Short Payment	315.00	315.00		
				Interest on Late Payment	762.00	562.00		
				Additional Late Payment interest against the processing of late correction	4.50	4.50		
				Interest on Short Deduction	28.00	28.00		
				Interest u/s 220(2)	5.00	5.00		
		Q2	26Q	Interest on Late Payment	5775.00	5774.00	5770.00	
2	2017-18	Q1	26Q	Short Deduction	5.70	5.70	330.00	
				Interest on Late Payment	376.50	328.50		
		Q2	26Q	Late Filing Levy	1200.00	1200.00	1200.00	
		Q3	26Q	Interest on Late Payment	5745.00	5266.00	5270.00	
		Q4	24Q	Interest on Late Payment	2385.00	2385.00	2390.00	
				26Q	Interest on Late Payment	5022.00	3865.00	7090.00
					Additional Late Payment interest against the processing of late correction	3150.00	3150.00	
			26Q	Interest u/s 220(2)	76.00	76.00		

**B. Under the Income Tax Act, 1961 - against Aditya Oil Industries:**

Following Demands for Tax Deducted at Source are outstanding against Aditya Oil Industries;

(Amount in ₹)

Sr. No.	Financial Year	Quarter	Form	Type of Default	Default Amount	Payable Amount	Net Payable Amount
1	2016-17	Q3	26Q	Late Filing Levy	3390.00	3390.00	3390.00
2	2015-16	Q1	26Q	Late Filing Levy	1534.00	1534.00	1530.00
3	2013-14	Q4	26Q	Additional Late Payment interest against the processing of late correction	2136.00	2136.00	2140.00
4	2012-13	Q2	26Q	Short Deduction	510.20	510.20	3500.00
				Interest on Late Payment	504.00	504.00	
				Interest on Short Deduction	85.00	85.00	
				Late Filing Levy	2400.00	2400.00	
5	2011-12	Q4	26Q	Short Deduction	1310.00	1310.00	1560.00
				Interest on Short Deduction	250.00	250.00	
6	2010-11	Q4	26Q	Short Deduction	4260.00	4260.00	4980.00
				Interest on Short Deduction	720.00	720.00	
7	2009-10	Q4	26Q	Interest on Late Payment	298.00	300.00	380.00

The Income Tax Department had issued the notice under Section 274 read with Section 271(1)(c) of the Income Tax Act, 1961 against the Aditya Oil Industries for concealment of the particulars of income or furnished inaccurate particulars of such income in respect of Assessment Year 2014-15 (Financial Year 2013-14). Income Tax Department had issued order demanding ₹ 42,210/- payable for the Assessment Year 2014-15, which was paid. Further, Income Tax Department had also issued notice for penalty under section 271 (1) (c) of the Income Tax Act, 1961 for concealment of Income.

#### 5. Penalties imposed in past cases for the last five years: NIL

#### 6. Material Developments Since the Last Balance Sheet:

Except as mentioned under the chapter “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION” on page no. 176 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

#### 7. Material Dues to the Creditors:

As of June 30, 2018, our Company had 17 creditors, to whom a total amount of ₹ 457.47 lakhs was outstanding. Based on the resolution passed by the Board of Directors of our Company on October 16, 2018 determining the quantum of “Material Dues”, the following are the material dues to the creditors of our Company.

(₹ in Lakh)

Name of Creditors	As at June 30, 2018
Aditya Oil Industries	440.86
Bhumi Brokers	4.90
Shree Marutinandan Cot Fibre	4.01
Shreenathji Worldwide Private Limited	2.17
Balram Cotex	2.04

Further, in opinion of management of the Company, none of our Creditors have confirmed their registration under the Micro, Small and Medium Development Act, 2006.

The details pertaining to net outstanding dues towards our Material Creditors and Small Scale Undertakings shall be made available under investors’ section on the website of our Company i.e. [www.axitacotton.com](http://www.axitacotton.com). It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, [www.axitacotton.com](http://www.axitacotton.com) would be doing so at their own risk.

Further, there are no pending cases with such Material Creditors.

## OTHER MATTERS

**Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the company or its subsidiaries: Nil**

**Outstanding litigation against other companies or any other person whose outcome could have an adverse effect on our company: Nil**

## GOVERNMENT APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except otherwise stated in this Prospectus.

### 1) Approvals for the Proposed Issue:

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on October 16, 2018, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on October 18, 2018, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has obtained in-principle listing approval dated December 11, 2018 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited.
4. The Company has entered into an agreement dated November 12, 2018 with the Central Depository Services (India) Limited (“CDSL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
5. The Company has entered into an agreement dated November 5, 2018 with the National Securities Depository Limited (“NSDL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
6. The Company’s International Securities Identification Number (“ISIN”) is INE02EZ01014.

Following table sets out the details of licenses, permissions and approvals obtained under various Central and State Laws for carrying out its business.

### 2) Registration obtained under the Companies Act, 1956 and 2013:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Registrar of Companies, Registrar of Companies, Gujarat, Dadra and Nagar Haveli	Corporate Identity Number U17200GJ2013PTC076059 dated July 16, 2013	Companies Act, 1956	Certificate of Incorporation in name of Axita Cotton Private Limited	Valid, till cancelled
2.	Registrar of Companies, RoC – Ahmedabad	Corporate Identity Number U17200GJ2013PLC076059 dated October 15, 2018	Companies Act, 2013	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	Valid, till cancelled

### 3) Registration under various Tax related Acts/Rules relating:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Income Tax Department	AALCA8092L	Income Tax Act, 1961	Permanent Account Number	Valid, till cancelled
2.	Income Tax Department	AHMA13156D	Income Tax Act, 1961	Tax Deduction Account Number*	Valid, till cancelled
3.	The Central Goods And Services Tax Act, 2017	24AALCA8092L1Z6 issued on September 19, 2017 (effective from July 1, 2017)	The Central Goods And Services Tax Act, 2017	Certification of Registration under the Central Goods And Services Tax Act, 2017 for the state of Gujarat	Valid, till Cancelled

4.	Commissioner of Commercial Tax, Commercial Taxes Department, Government of Gujarat	24540902589 effective from August 13, 2013 <sup>^</sup>	The Central Sales Tax (Registration and Turnover) Rules, 1957	Central Sales Tax Number*	Valid, till cancelled
5.	Commercial Taxes Department, Government of Gujarat	24040902589 effective from August 13, 2013 <sup>^</sup>	Gujarat Value Added Tax Act, 2003	VAT Registration Number*	Valid, till cancelled
6.	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade	Import Export Code: 0813015782 issued on October 7, 2013	Foreign Trade (Development & Regulation) Act, 1992	Import Export Code*	Valid, till cancelled

\* In the name of "Axita Cotton Private Limited".

<sup>^</sup> It is replaced by Goods and Services Tax.

#### 4) Licenses/ Approvals under Industrial and Labour Laws:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Regional office, Ahmedabad, Employees' Provident Fund Organisation	Registration No. 10000197969AHD dated November 5, 2018  Code No. GJAHD1809597000	Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Registration with Regional Provident Fund Office for Depositing the Contribution and Subscription of the employees.	Valid, till Cancelled
2.	Deputy Director, Industrial Safety and Health, Mahesana	License No. 19635 Registration No. 1138/1406/2013	Factories Act, 1948 and Rules made thereunder	License to work Factory at Sur. No. 357-58, 324, Ta.: Kadi, Dist: Mahesana*	Valid up to December 31, 2019
3.	Jr. Inspector, Legal Metrology, Division – Kadi, State of Gujarat	No. 635191 issued on June 21, 2018	The Legal Metrology Act, 2009	Certificate of Verification of 1) Non-automatic Digital Display Type Fully Electronic Weigh Bridge, Techno Make, Maximum Capacity – 50000 Kg., Minimum Capacity – 250 Kg, Accuracy (e) 5 kg, Class-II, Model No. – TWB 50 T, Sr. No. 140150*	Valid up to June 20, 2019

\* In the name of "Axita Cotton Private Limited".

#### 5) Other Certificates, license, approval etc.:

Sr. No.	Authority Granting Approval	Registration No.	Applicable Laws/Rules	Nature of Approvals	Validity
1.	Ministry of Micro, Small and Medium Enterprises	Udyog Aadhaar Number: GJ14B0003433	---	Udyog Adhaar Memorandum	Valid, till Cancelled
2.	CU Inspection & Certifications India Private Limited	Certificate No. CU857068GOTS-02.2018 Registration Number: CU 857068 issued on February 3, 2018	---	Textile Certification Global Organic Textile Standard (GOTS) Standard: "Global Organic Textile Standard – GOTS" Standards for the processing of fibers	Valid until February 1, 2019

Sr. No.	Authority Granting Approval	Registration No.	Applicable Laws/Rules	Nature of Approvals	Validity
				from certified Organic Agriculture. Version 5.0 March 2017	
3.	The Cotton Textiles Export Promotion Council	Registration Number: MC/32606(2015) – A	---	Registration cum Membership Certificate*	Valid up to March 31, 2020) Subscription has been paid for up to March 31, 2019
4.	The Cotton Textiles Export Promotion Council	Registration Number: XC/33918 (2018) – A	---	Registration cum Membership Certificate	Valid up to March 31, 2023) Subscription has been paid for up to March 31, 2019
5.	Optimum Certifications Inc.	ISO 9001:2015 Certificate Number: Q/311018164	---	Quality Management System for “Manufacturing, Export and Supply of Cotton & Cotton Seeds”	Valid up to September 29, 2021
6.	Better Cotton Initiatives (Independent Organization)	Membership Number/Code: GINGJ005-1	---	Membership of Better Cotton Initiatives*	Not Applicable
7.	General Administration of Quality Supervision, Inspection and Quarantine of the Peoples of Republic of China	Certificate No. C111151041	---	Registration with General Administration of Quality Supervision, Inspection and Quarantine of the Peoples of Republic of China for exporting of Cotton and Cotton West Products to China*	Not Applicable <sup>§</sup>
8.	Gujarat Chamber of Commerce & Industry	Membership No. N6062	---	Membership of Gujarat Chamber of Commerce & Industry*	Renewed for F.Y. 2018-19
9.	Federation of Indian Export Organizations (FIEO)	Registration cum Membership Certificate Number: AHD/220/2016-2017	---	Membership of Federation of Indian Export Organization	Renewed for the Subscription Years 2017 – 2019 Valid up to March 31, 2019

\* In the name of “Axita Cotton Private Limited”.

§ No Certificate is being issued, however, the Company has taken registration cum renewal for a period of 3 years.

Our Company has taken Domain Registration of our Website i.e. [www.axitacotton.com](http://www.axitacotton.com).

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES

The definition of “Group Companies/Entities” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board. Pursuant to a Board resolution dated October 16, 2018, our Board has identified companies/entities with which there were related party transactions, during the period for which financial information is disclosed and formulated a policy to identify other companies which are considered material to be identified as group companies/entities, pursuant to which the following entities are identified as Group Companies/Entities of our Company.

1. Axita Exports Private Limited
2. Aditya Oil Industries (Partnership Firm)
3. Shreenathji Enterprise (Sole Proprietorship)
4. Amit Provision Stores (Sole Proprietorship)
5. Gita Trading Company (Sole Proprietorship)
6. Suchi Developers (Partnership Firm)
7. Amit Govindbhai Patel HUF
8. Nitinbhai Govindbhai Patel HUF

Except as stated above, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

As per sub clause C of clause 13 of Schedule VI, we have provided the financial information of unlisted group companies/entities.

### 1. Axita Exports Private Limited (AEPL)

#### Brief Corporate Information

AEPL is a private company incorporated under the provisions of Companies Act, 2013 and it has received the certificate of incorporation on September 21, 2016. Presently, registered office of AEPL is situated at B-303, Ashutosh Avenue, Opposite Vasupujya Tower, Near Loyala Hall, Naranpura, Ahmedabad – 380 013. The Corporate Identification number of AEPL is U17299GJ2016PTC093810.

#### Current Nature of Activities

AEPL is currently engaged in export and trading of cotton bales.

#### Board of Directors

As on date of this Prospectus, the following are the Directors of AEPL

Sr. No.	Name	Designation
1.	Mr. Kushal Nitinbhai Patel	Managing Director
2.	Mr. Nitinbhai Govindbhai Patel	Managing Director

#### Shareholding Pattern

As on date of this Prospectus, the following are the Shareholders of AEPL;

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage holding (%)
1.	Mr. Kushal Nitinbhai Patel	152000	60.80
2.	Mr. Nitinbhai Govindbhai Patel	98000	39.20
<b>Total</b>		<b>250000</b>	<b>100.00</b>

#### Financial Performance

The summary of audited financials for the previous two years is as follows. Audited Financials for the financial year 2015-16 is not applicable since the Company was incorporated on September 21, 2016.

(₹ in lakhs except per share data)

Particulars	March 31, 2018	March 31, 2017
Equity Share Capital (face value ₹ 10/- each)	25.00	25.00
Reserves & Surplus (excluding revaluation reserve)	23.89	3.62
Total Income	17474.90	2983.72
Profit/ (Loss) after Tax	20.26	3.62
Earnings Per Share and Diluted Earnings per share (in ₹)	8.11	1.45
Net Asset Value Per Share (in ₹)	48.89	28.62

## 2. Aditya Oil Industries- Partnership Firm

Aditya Oil Industries, a Partnership Firm was constituted on July 27, 2007 under the Partnership Act, 1932. The office of Aditya Oil Industries is situated at Kalol Road, Karanagar, Tal:- Kadi, Mehsana-382715, Gujarat.

### Current Nature of Activities

Aditya Oil Industries is engaged in production of Cotton Seed, Oil, Cotton cake etc.

Aditya Oil Industries was constituted on July 27, 2007 with following Partners:-

Sr. No.	Name of Partners
1.	Mr. Patel Amit Govindbhai
2.	Mr. Patel Nitin Govindbhai
3.	Mrs. Patel Gitaben Nitinbhai
4.	Mrs. Patel Gitaben Amitbhai
5.	Mrs. Patel Savitaben Govindbhai
6.	Mr. Patel Kushal Nitinbhai

Aditya Oil Industries was re-constituted on August 24, 2007 by admitting Mrs. Patel Vidyaben Shambhubhai as a new Partner.

Aditya Oil Industries was again re-constituted on September 27, 2009 due to admission/ retirement of partner as follows:-

Sr. No.	Name of Partners	Change
1.	Mrs. Patel Riddhi Krunalbhai	Admitted as a Partner
2.	Mr. Patel Krunal Shambhubhai	Admitted as a Partner
3.	Mr. Patel Amit Govindbhai	Retired from Partnership
4.	Mrs. Patel Gitaben Nitinbhai	Retired from Partnership
5.	Mrs. Patel Savitaben Govindbhai	Retired from Partnership
6.	Mrs. Patel Gitaben Amitbhai	Retired from Partnership
7.	Mrs. Patel Vidyaben Shambhubhai	Retired from Partnership

Aditya Oil Industries was again re-constituted on August 11, 2012 due to admission/ retirement of partner as follows:-

Sr. No.	Name of Partners	Change
1.	Mr. Patel Amit Govindbhai	Admitted as a Partner
2.	Mrs. Patel Riddhi Krunalbhai	Retired from Partnership
3.	Mr. Patel Krunal Shambhubhai	Retired from Partnership

### Interest of Partners

The Profit Sharing ratio of Partners in Aditya Oil Industries is as under:



Sr. No.	Name of Partners	Profit/Loss Sharing ratio
1.	Mr. Patel Kushal Nitinbhai	30.00%
2.	Mr. Patel Nitinbhai Govindbhai	30.00%
3.	Mr. Patel Amit Govindbhai	40.00%
	<b>Total</b>	<b>100.00%</b>

### Financial Performance

The summary of Audited financials for the previous three years is as follows:

(₹ In lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Partners' Capital Contribution	303.64	280.10	93.87
Total Income	7125.74	5989.14	4130.83
Total Expenditure	6831.83	5841.14	3968.30
Profit/ (Loss) after Tax	20.88	2.53	1.68

### 3. Shreenathji Enterprise (Sole Proprietorship)

Shreenathji Enterprise is the Sole-Proprietorship business of Mrs. Gitaben Nitinbhai Patel. The Business under Shreenathji Enterprise was commenced in the year 2012. The office of Shreenathji Enterprise is situated at Karanagar, Kadi-Chhatral Road, Kadi.

Shreenathji Enterprise is involved in trading of cotton seed, cotton cake and cotton bales in various parts of India.

### Financial Performance

The summary of Audited financials for the previous three years is as follows:

(₹ In lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Total Income	469.35	2542.82	979.22
Total Expenditure	462.53	2525.09	998.56
Profit/ (Loss) after Tax	6.82	17.73	(19.34)

### 4. Amit Provision Stores (Sole Proprietorship)

Amit Provision Stores is the Sole-Proprietorship business of Mr. Nitinbhai Govindbhai Patel. The Business under Amit Provision Stores was commenced in the year 1984. The office of Amit Provision Stores is situated at Narayan Bhuvan Kailash Kunj Society, B/h Lal Bunglow, Navrangpura, Ahmedabad.

Amit Provision Stores is a retail store of food grains, flours, pulses, spices, dairy products, cosmetic, toiletries, provisional and general use etc.

### Financial Performance

The summary of financials for the previous three years is as follows:

(₹ In lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Total Income	78.47	72.88	72.47
Total Expenditure	70.98	66.75	63.73
Profit/ (Loss) after Tax	7.49	6.13	8.74

### 5. Gita Trading Company (Sole Proprietorship)

Gita Trading Company is the Sole-Proprietorship business of Mr. Amitbhai Govindbhai Patel. The Business under Gita Trading Company was commenced in the year 1987. The office of Gita Trading Company is situated at Narayan Bhuvan Kailash Kunj Society, B/h Lal Bunglow, Navrangpura, Ahmedabad.

Gita Trading Company is involved in trading of food grains, flours, pulses, spices, cosmetic, toiletries, provisional and general use etc.

## Financial Performance

The summary of Audited financials for the previous three years is as follows:

(₹ In lakhs)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Total Income	36.10	36.80	29.04
Total Expenditure	33.12	32.96	25.59
Profit/ (Loss) after Tax	2.98	3.84	3.45

## 6. Suchi Developers (Partnership Firm)

Suchi Developers, a Partnership Firm was constituted on March 22, 2010 under the Partnership Act, 1932. The office of Suchi Developers is situated at 4, Surbhi, Someshwar Complex, Opposite, Nishan Part-1, Satellite, Ahmedabad – 380 015.

### Current Nature of Activities

Suchi Developers is engaged in Real Estate Business.

Suchi Developers was constituted with following partners:-

Sr. No.	Name of Partners
1.	Mr. Prafulbhai Patel
2.	Mr. Rajendrabhai Patel
3.	Mr. Vishal Patel
4.	Mr. Nimesh Patel
5.	Mr. Gunvantbhai Patel
6.	Mrs. Kamini Patel
7.	Mrs. Hetal Patel
8.	Mr. Nileshbhai Patel
9.	Mrs. Parul Patel
10.	Mr. Himanshu Patel
11.	Mr. Dilipbhai Patel
12.	Mr. Raj Patel
13.	Mrs. Dipika Patel
14.	Mr. Amitbhai Patel
15.	Mr. Ripen Patel
16.	Mr. Kunal Patel
17.	Mr. Rohitkumar Patel
18.	Mr. Jitendrabhai Patel
19.	Mr. Naresh Patel

Suchi Developers was re-constituted on June 7, 2017 due to admission/ retirement of partner as follows:-

Sr. No.	Name of Partners	Change
1.	Mr. Ripen Patel	Retired from Partnership
2.	Mr. Kunal Patel	Retired from Partnership
3.	Mrs. Kakshila Patel	Admitted as Partner
4.	Mr. Akshay Patel	Admitted as Partner

### Interest of Partners

The Profit Sharing ratio of Partners in Suchi Developers is as under:

Sr. No.	Name of Partners	Profit/Loss Sharing ratio
1.	Mr. Prafulbhai Patel	6.0%
2.	Mr. Rajendrabhai Patel	6.0%
3.	Mr. Vishal Patel	7.0%
4.	Mr. Nimesh Patel	3.0%
5.	Mr. Gunvantbhai Patel	3.0%
6.	Mrs. Kamini Patel	6.0%
7.	Mrs. Hetal Patel	7.0%
8.	Mr. Nileshbhai Patel	4.0%
9.	Mrs. Parul Patel	6.0%
10.	Mr. Himanshu Patel	10.0%
11.	Mr. Dilipbhai Patel	6.0%
12.	Mr. Raj Patel	4.0%
13.	Mrs. Dipika Patel	4.0%
14.	Mr. Amitbhai Patel	7.0%
15.	Mr. Rohitkumar Patel	3.5%
16.	Mr. Jitendrabhai Patel	3.5%
17.	Mr. Naresh Patel	7.0%
18.	Mrs. Kakshila Patel	3.5%
19.	Mr. Akshay Patel	3.5%
	<b>Total</b>	<b>100.0%</b>

#### 7. AMIT GOVINDBHAI PATEL HUF

Amit Govindbhai Patel HUF was constituted on March 09, 1994. The Karta of Amit Govindbhai Patel HUF is Mr. Amit Govindbhai Patel.

Amit Govindbhai Patel HUF conducts business under name of Ganesh Traders. Amit Govindbhai Patel HUF is currently engaged in Wholesale business of sugar, cocunut, jaggery etc.

#### 8. Nitinbhai Govindbhai Patel HUF

Nitinbhai Govindbhai Patel HUF was constituted on March 09, 1994. The Karta of Nitinbhai Govindbhai Patel HUF is Nitinbhai Govindbhai Patel.

Nitinbhai Govindbhai Patel HUF conducts business under name of Mahalaxmi Traders. Nitinbhai Govindbhai Patel HUF is currently engaged in Wholesale business of sugar, cocunut, jaggery etc.

#### PENDING LITIGATIONS

There is no pending litigation involving any of the above mentioned group companies/entities which has a material impact on our company. However for details of Outstanding Litigation against our Company and Group Companies/Entities, please refer to Chapter titled "OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS" on the page no. 185 of this Prospectus.

#### INFORMATION REGARDING SIGNIFICANT ADVERSE FACTORS RELATED TO THE GROUP COMPANIES/ENTITIES AND IN PARTICULAR REGARDING

- None of the above mentioned Group Companies/Entities is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- Few of our Group Companies/Entities have made a loss in the immediately preceding year, the profit and loss figures of the said entities for the immediate preceding three years are as follows:-

(Rupees in Lakh)

Sr. No.	Name of Company	March 31, 2018	March 31, 2017	March 31, 2016
1.	Suchi Developers	(3.13)	(2.98)	(3.10)
2.	Shreenathji Enterprise	6.83	17.72	(19.34)

## GENERAL DISCLOSURE

- None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.
- None of the above mentioned Group Companies/Entities is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Entity has not been identified as a Willful Defaulter.

## DEFUNCT /STRUCK-OFF COMPANY

- None of Promoters, Promoter Group and our Group Companies/Entities has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this Prospectus.

## COMMON PURSUITS

Our all group companies/Entities are not engaged in same line of business activity as our company but our group companies/Entities have some of the objects similar to that of our company's business. The details of group companies which are in similar line of business activities, as carried out by our Company, are stated below;

1. Axita Exports Private Limited is engaged in export and trading of cotton bales.

**Justification:** AEPL is not into production of cotton bales or cotton seeds. Company merely trade/export in cotton bales.

2. Aditya Oil Industries (Partnership Firm)

**Justification:** Company's core area of operation is producing cotton seed oil and also revenue is from production of cotton bales and cotton seeds.

3. Shreenathji Enterprise is involved in trading of cotton seed, cotton cake and cotton bales in various states of India.

**Justification:** Shreenathji Enterprise is not into production of cotton bales or cotton seeds. It is merely engaged in trading of cotton seed, cotton cake and cotton bales.

As these entities do not have any non-compete agreements in place amongst themselves, there may be potential of conflict of interest between our company and Axita Exports Private Limited, Aditya Oil Industries and Shreenathji Enterprise.

Our company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises.

## BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ENTITIES /ASSOCIATE COMPANIES

### Existing

Except as mentioned under "Annexure – T" – "RELATED PARTY TRANSACTIONS" under Chapter titled "RESTATED FINANCIAL INFORMATION" beginning on page no. 121 of this Prospectus, there is no business interest among Group Companies/Entities.

**Proposed Related Party Transactions with Group/Entities for FY 2018-19 as approved by the Shareholders/Audit Committee are as follows:**

Sr. No.	Particulars	Transaction – 1	Transaction – 2	Transaction – 3	Transaction – 4
1.	Name(s) of the related party and nature of relationship	Axita Exports Private Limited – Company wherein directors are interested	Aditya Oil Industries – Firm in which Director is interested	Mr. Nitinbhai Govindbhai Patel	The Board of Directors (Promoters cum Executive Directors)

Sr. No.	Particulars	Transaction – 1	Transaction – 2	Transaction – 3	Transaction – 4
2.	Nature of contracts/ arrangements/ transactions	Sale and purchase of Goods	Sale and purchase of Goods	Payment of Rent for Tractor	Loans and payment of Interest thereon @ 12.00% per annum
3.	Duration of the contracts / arrangements/ transactions	From November 1, 2018 to March 31, 2019	From November 1, 2018 to March 31, 2019	From November 1, 2018 to March 31, 2019	From November 1, 2018 to March 31, 2019
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company is at Market rate and on arms' length basis	All transactions entered by the Company is at Market rate and on arms' length basis	All transactions entered by the Company is at Market rate and on arms' length basis	The loans will be re-payable on demand and will carry interest rate of 12.00% per annum payable on quarterly basis.
5.	Date(s) of approval by the Board of Directors & Audit Committee	November 1, 2018	November 1, 2018	November 1, 2018	November 1, 2018
6.	Omnibus Approval (Limit in ₹)	₹ 6000.00 Lakh	₹ 4000.00 Lakh	₹ 10.00 Lakh	₹ 600.00 Lakh

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and Shareholders of our Company.

In addition to all above transactions proposed to be entered, our Company may also propose to enter in to new transactions or transactions beyond the present omnibus approval given the by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the omnibus approval specified above.

#### DISSOCIATION OF PROMOTERS IN THE LAST THREE YEAR

Our individual Promoters have not disassociated themselves from any Company in the last three years.

#### RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Sales or Purchases between our group Companies/Entities and associated company with our Company is given below:  
(₹ In Lakh)

Particulars	For the Period ended June 30, 2018	For the Period ended March 31, 2018	For the Period ended March 31, 2017	For the Period ended March 31, 2016	For the Period ended March 31, 2015	For the Period ended March 31, 2014
<b>Total Sales of Axita Cotton Limited</b>	<b>2,116.66</b>	<b>12,345.78</b>	<b>9,023.06</b>	<b>6,808.83</b>	<b>7,691.19</b>	<b>1,736.08</b>
Total Sale to Aditya Oil Industries	36.46	2,046.48	2,535.48	1,437.05	893.11	33.13
% of Total Sales of Axita Cotton Limited	1.72	16.58	28.10	21.10	11.61	1.91
Total Sale to Axita Exports Private Limited	972.14	6,448.58	1,971.72	-	-	-
% of Total Sales of Axita Cotton Limited	45.93	52.23	21.85	-	-	-
<b>Total Purchases of Axita Cotton Limited*</b>	<b>1678.86</b>	<b>11,557.56</b>	<b>8,939.34</b>	<b>6,648.04</b>	<b>7,535.96</b>	<b>1,867.28</b>
Total Purchases from Aditya Oil Industries	543.94	1,637.10	2,272.46	882.59	782.19	262.04
% of Total Purchases of Axita Cotton Limited	32.40	14.16	25.42	13.28	10.38	14.03

Particulars	For the Period ended June 30, 2018	For the Period ended March 31, 2018	For the Period ended March 31, 2017	For the Period ended March 31, 2016	For the Period ended March 31, 2015	For the Period ended March 31, 2014
<b>Total Purchases from Axita Exports Private Limited</b>	36.18	722.39	583.31	-	-	-
<b>% of Total Purchases of Axita Cotton Limited</b>	2.16	6.25	6.53	-	-	-

\* Total Purchases include “Cost of Goods Material” and “Purchase of Traded Goods”.

For details, please see “Annexure – T” - “Related Party Transactions” on page no. 164 of this Prospectus under Chapter titled “RESTATED FINANCIAL INFORMATION”.

#### **CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Annexure – IV” under Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on page no. 121 of the Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION XII

### OTHER REGULATORY AND STATUTORY DISCLOSURES

#### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on October 16, 2018, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on October 18, 2018, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

We have received in principle approval from BSE Limited vide their letter dated December 11, 2018 to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange for the purpose of this issue.

#### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoters, our Directors and our Promoters' Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

#### CONFIRMAITONS

1. Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

#### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Companies/Entities have been identified as wilful defaulters by the RBI or any other governmental authority.

#### ELIGIBILITY FOR THE ISSUE

We are an issuer whose post issue paid-up capital is less than to ₹ 10 Crore and therefore, our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Listing at BSE Limited and compliance thereof are given hereunder;

**1. The Issuer should be a company incorporated under the Companies Act 1956.**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 2500.00 Lakh.**

The present paid-up capital of our Company is ₹ 480.00 Lakh and we are proposing issue of 1752000 Equity Shares of ₹ 10/- each at issue price of ₹ 60/- per Equity Share including share premium of ₹ 50/- per Equity Share, aggregating to ₹ 1051.20 Lakh. Hence, our Post Issue Paid up Capital will be ₹ 655.20 Lakh which less than ₹ 2500.00 Lakh.

**3. Positive Net worth.**

Our Company satisfies the criteria of Positive Net worth.

(₹ in lakh)

Particulars	As at June 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Net Worth as per Restated Financial Statement	350.18	316.25	234.50	230.47

#### 4. Track Record.

##### A. The company should have a (combined) track record of at least 3 years.

Our Company is in existence for period more than 3 years.

##### B. The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.

Our Company satisfies the criteria of track record.

(₹ in lakh)

Particulars	For the period ended June 30, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Accruals as per Restated Financial Statement	60.10	154.73	55.62	75.95
Net Worth as per Restated Financial Statement	350.18	316.25	234.50	230.47

#### 5. Other Requirements

##### A. It is mandatory for a company to have a website.

Our Company has functional website – www.axitacotton.com.

##### B. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a tripartite agreement dated November 5, 2018 with NSDL, our Company and Registrar to the Issue;
- a tripartite agreement dated November 12, 2018 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE02EZ01014

##### C. There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

There is no such change in the Promoters of our Company.

#### 6. Disclosures

We confirm that certificate confirming the below details is submitted to the Stock Exchange;

- The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.

#### In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

- This Issue is 100% underwritten by the Lead Manager in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by Lead Manager, please refer to Section titled "GENERAL INFORMATION" beginning on page no. 36 of this Prospectus.



2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For details of the market making arrangement, see Section titled “GENERAL INFORMATION” beginning on page no. 36 of this Prospectus.
3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at rate of fifteen per cent per annum and within such time as disclosed in the offer document and lead manager shall ensure the same.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have submitted the soft copy of Prospectus to the SEBI. However SEBI shall not issue any observations on our Prospectus. We shall also ensure that we will submit the soft copy of Prospectus through lead manager immediately up on registration of the Prospectus with the Registrar of Companies along a Due Diligence Certificate including additional confirmations.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, BEELINE BROKING LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER BEELINE BROKING LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2018, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE BSE**

The copy of the Draft Prospectus was submitted to BSE. Post scrutiny of the Draft Prospectus, the Disclaimer Clause as intimated by BSE to us shall be read as under;

*“BSE Limited (“BSE”) has vide its letter dated December 11, 2018 given permission to Axita Cotton Limited to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform (“SME platform”) the Company’s securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner: -*

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or*
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.*
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.*

*The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.”*

#### **CAUTION- DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company’s website: [www.axitacotton.com](http://www.axitacotton.com) would be doing so at their own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Beeline Broking Limited and our Company dated October 25, 2018 and the Underwriting Agreement dated October 25, 2018 between Beeline Broking Limited and our Company and the Market Making Agreement dated October 25, 2018 entered into among the Beeline Broking Limited and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **NOTE:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our

Company, the Underwriters and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

A soft copy of Draft Prospectus was submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

#### LISTING

Application was made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

Our company has obtained In-Principle approval from BSE vide letter dated December 11, 2018 to use name of BSE in this Prospectus for listing of equity shares on SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a). **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- (b). **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c). **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

## CONSENTS

The written consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Bankers' to the Company, Banker's to the Issue and Refund Banker, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Makers to act in their respective capacities have been obtained.

Above consents are being filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) M/s. Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad have provided their written consent for the inclusion of their report dated November 1, 2018 regarding restated financial statements; and 2) M/s. Manish Dave & Co., Chartered Accountant, Ahmedabad have provided their written consent for the inclusion of Statement of Tax Benefits dated October 30, 2018 which may be available to the Company and its shareholders and the inclusion of extract of Certificate on Source of Minimum Promoters' Contribution by Promoters dated October 22, 2018, in this Prospectus.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Prospectus.

#### **EXPERT OPINION**

Except for Peer Review Auditors' reports on the restated financial statements issued by M/s. Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad and (a) Statement of Tax Benefits and (b) Certificate on Source of Minimum Promoters' Contribution by Promoters issued by M/s. Manish Dave & Co., Chartered Accountant, Ahmedabad; we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Beeline Broking Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" to this Prospectus and the website of Lead Manager at [www.beelinebroking.com](http://www.beelinebroking.com).

Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please see the website of Lead manager i.e. [www.beelinebroking.com](http://www.beelinebroking.com).

#### **PROMISE VIS-A-VIS PERFORMANCE**

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, Promise vis-a-vis Performance is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.



Our Company has constituted Stakeholders Relationship Committee comprising of Mr. Dhruven Shailesh Patel – Chairperson, Mr. Rakesh Mahendrakumar Patel – Member and Mr. Amitkumar Govindbhai Patel – Member.

Our Company has appointed Mr. Deepakkumar Kushalchandra Chaubisa as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Axita Cotton Limited,**

Survey No. 324, 357, 358, Kadi Thol Road,  
Borisana, Kadi, Mahesana – 382 715, Gujarat  
**Tel No.:** +91 63587 47514,  
**Email:** cs@axitacotton.com  
**Web:** www.axitacotton.com

Till date of this Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

**PUBLIC ISSUE EXPENSES**

The Management estimates an expense of ₹ 51.20 Lakhs towards issue expenses. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (₹ in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	30.00	58.59	2.85
Market Making Charges for first year of Listing	3.00	5.86	0.29
Fees Payable to Registrar to the Issue	0.75	1.46	0.07
Fees Payable to Advertising and Marketing Expenses	2.50	4.88	0.24
Fees Payable to Regulators including Stock Exchanges	4.40	8.59	0.42
Payment for Printing and Distribution of Issue Stationaries	1.50	2.93	0.14
Others (Fees Payable to Peer Review Auditor, Fees to Legal Advisors, Marketing Expenses, Brokerage, Processing Fees for Application and Miscellenous Expenses)	9.05	17.68	0.86
<b>Total Estimated Issue Expenses</b>	<b>51.20</b>	<b>100.00</b>	<b>4.87</b>

**Notes:**

- Up to November 2, 2018, Our Company has deployed/incurred expense of ₹ 10.00 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. Manish Dave & Co., Chartered Accountants vide its certificate dated November 3, 2018.
- Any expenses incurred towards aforesaid issue related expenses during the period from November 3, 2018 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.

**FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

**FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated October 25, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

**FEES PAYABLE TO OTHERS**

The total fees payable to the Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them.

SCSBs will be entitled to a processing fee of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.05% on the Amount Allotted (Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price).

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled "CAPITAL STRUCTURE" beginning on page no. 42 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTER**

There are no listed ventures of our Company as on date of filing of this Prospectus.

#### **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

#### **CHANGES IN AUDITORS**

There has been no change in the Auditors of the company during the last three years.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS**

Our Company has not capitalized any reserves or profits during last five years.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

## SECTION XIII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015; all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled "DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION" beginning on page no. 263 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

### FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is ₹ 10/- each and the Issue Price is ₹ 60/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "BASIS FOR ISSUE PRICE" beginning on page no. 64 of this Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

### COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and



- such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION” beginning on page no. 263 of this Prospectus.

#### MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2000 Equity Share subject to a minimum allotment of 2000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

#### JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

**The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**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.**

#### JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest in respect of Percentage assigned to each nominee at the time of nomination. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

<b>ISSUE OPENS ON</b>	<b>Thursday, December 27, 2018</b>	<b>ISSUE CLOSES ON</b>	<b>Wednesday, January 2, 2019</b>
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An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
<b>Offer Closing Date</b>	<b>Wednesday, January 2, 2019]</b>
<b>Finalization of Basis of Allotment with BSE</b>	<b>On or before Monday, January 7, 2019</b>
<b>Initiation of refunds /unblocking of funds from ASBA Account</b>	<b>On or before Tuesday, January 8, 2019</b>
<b>Credit of Equity Shares to demat accounts of Allottees</b>	<b>On or before Wednesday, January 9, 2019</b>
<b>Commencement of trading of the Equity Shares on BSE</b>	<b>On or before Thursday, January 10, 2019</b>

**The above timetable is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE is taken within six Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that are not uploaded will not be considered for allocation under the Issue. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

The issuer does not receive the minimum subscription of hundred per cent. of the offer through offer document on the date of closure of the issue or devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue or withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, the issuer shall forthwith refund the

entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent. per annum.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

**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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the equity shares will happen in the minimum contract size of 2000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Minimum Promoters' Contribution in the Issue as detailed in the chapter "CAPITAL STRUCTURE" beginning on page no. 42 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the chapter titled "DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION" beginning on page no. 263 of this Prospectus.

#### **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

## **MIGRATION TO MAIN BOARD**

Our Company may migrate to the main board of BSE on a later date, subject to the following:

If the Paid up Capital of the company is more than ₹ 10 crores and up to ₹ 25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

Where the post-issue face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless;

- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

## **MARKET MAKING**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see "GENERAL INFORMATION – DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE" on page no. 39 of this Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue, please refer chapters titled “TERMS OF ISSUE” and “ISSUE PROCEDURE” on page no. 210 and 217 respectively of this Prospectus.

Public issue of 1752000 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 60/- per equity share including a share premium of ₹ 50/- per equity share (the “issue price”) aggregating to ₹ 1051.20 Lakh (“the issue”) by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
<b>Number of Equity Shares*</b>	1660000 Equity Shares	92000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.75% of the Issue Size 25.34% of the Post Issue Paid up Capital	5.25% of the Issue Size 1.40% of the Post Issue Paid up Capital
<b>Basis of Allotment/ Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 2000 Equity Shares and Further allotment in multiples of 2000 Equity Shares each.  For further details please refer to the chapter titled “ISSUE PROCEDURE” – “BASIS OF ALLOTMENT” on page no. 234 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Through ASBA mode Only.
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value exceeds ₹ 2,00,000  <b>For Retail Individuals:</b> 2000 Equity Shares	92000 Equity Shares
<b>Maximum Bid</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Size does not exceed 1660000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable.  <b>For Retail Individuals:</b> 2000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000	92000 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
<b>Trading Lot</b>	2000 Equity Shares	2000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of payment</b>	Entire Application Amount shall be payable at the time of submission of Application Form.	

\* for the detailed information on the Allocation of Net Offer to Public, please refer to chapter titled “THE ISSUE” on page no. 30 of this Prospectus.

### WITHDRAWAL OF THE ISSUE

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without

assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ahmedabad.

## **ISSUE PROGRAMME**

<b>ISSUE OPENS ON</b>	<b>THURSDAY, DECEMBER 27, 2018</b>
<b>ISSUE CLOSES ON</b>	<b>WEDNESDAY, JANUARY 2, 2019</b>



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, to be included in the prospectus under “Part B – General Information Document” of this section, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and this Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### PART A

#### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI.**

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.**

#### SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained
- A syndicate member (or sub-syndicate member)
- A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, and Registrar to the Issue as mentioned in the application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

#### WHO CAN APPLY?

**As per the existing regulations, OCBs are not allowed to participate in an Issue.**

- Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the



application is being made in the name of the HUF in the Application Form as follows: “Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs would be considered at par with those from individuals;

- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant’s category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

***As per the current regulations, the following restrictions are applicable for investments by FPIs:***

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
- v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- viii. Any other transaction specified by the Board.

(e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

- 4. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 5. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- 6. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

- 7. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
- 8. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
- 9. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

10. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
11. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
12. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
13. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
14. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
15. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b.) The entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c.) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

- a.) In addition to the above, certain additional documents are required to be submitted by the following entities: With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

#### **ASBA PROCESS**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

#### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.



Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### UNBLOCKING OF ASBA ACCOUNT

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### MAXIMUM AND MINIMUM APPLICATION SIZE

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### a) For Retail Individual Applicants

The Application must be for a minimum of 2000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

#### b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter.

A person shall not make an application in the net offer category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

### OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.



**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **INFORMATION FOR THE APPLICANTS**

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **PRE-ISSUE ADVERTISEMENT**

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Gujarati newspaper.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on October 25, 2018.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The

Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **INTEREST AND REFUNDS**

### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **GROUNDS FOR REFUND**

#### **NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate as disclosed in the Prospectus.

### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

### **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

### **MODE OF REFUND**

#### **IN CASE OF ASBA APPLICATION**

Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### **MODE OF MAKING REFUND FOR ASBA APPLICANTS**

In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.

### Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

## APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

***Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

***Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **OTHER INSTRUCTIONS**

#### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue

Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated November 5, 2018 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated November 12, 2018 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE02EZ01014.

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.



## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<b>To</b> <b>Mr. Deepakkumar Kushalchandra Chaubisa</b> <b>The Compliance Officer</b> <b>Axita Cotton Limited,</b> Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat <b>Tel No.:</b> +91 63587 47514, <b>Email:</b> cs@axitacotton.com <b>Web:</b> www.axitacotton.com	<b>To the Registrar to the Issue</b> Ms. Shanti Gopalkrishnan <b>LINK INTIME INDIA PRIVATE LIMITED</b> <b>Address:</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra <b>Tel. Number:</b> +91 22 4918 6200 <b>Email Id:</b> axita.ipo@linkintime.co.in <b>Investors Grievance Id:</b> axita.ipo@linkintime.co.in <b>Website:</b> www.linkintime.co.in
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## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **‘Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 2000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 equity shares subject to a minimum allotment of 2000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 32(4) of the SEBI (ICDR) Regulations, 2018 shall be made as follows;
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation: If the retail individual investor category is entitled to more than fifty per cent. of the Net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled "BASIS OF ALLOTMENT" on page no. 234 of this Prospectus.

"Retail Individual Investor" means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

## BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION



In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no. 212 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of BSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

### **PART B**

#### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document (“GID”) highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013, Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Applicants shall not construe the contents of this General Information Document as legal advice and shall consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants shall rely on their own examination of the Issuer and the Issue, and shall carefully read the Prospectus before investing in the Issue.

### **Important Note:**

This General Information Document relates to the Public Issue of 1752000 Equity Shares of ₹ 10/- each fully paid of Axita Cotton Limited (The “Company” or “The Issuer” or “AXITA”) for Cash at a Price of ₹ 60/- Per Equity Share including a Share Premium of ₹ 50/- per Equity Share (The “Issue Price”) aggregating to ₹ 1051.20 Lakh (“the Issue”) in Terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time), under the Fixed Price Mode and are proposed to be listed on the SME Platform of BSE Limited. Accordingly, the Investors are advised to refer to the particulars of this GID in context of Fixed Price Issue being made under Chapter IX of the SEBI (ICDR) Regulations, 2018 and copy of Prospectus.

### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI (ICDR) Regulations, 2018**”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

### **Section 2: Brief Introduction to IPOs on SME Exchange**

#### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO under Chapter IX of the SEBI (ICDR) Regulations, 2018, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of Regulations 228, 229 and 230 of the SEBI (ICDR) Regulations, 2018. For details of compliance with the eligibility requirements by the Issuer, Applicants may refer to the Prospectus.

The present Issue being made under Regulation 229(1) of the SEBI (ICDR) Regulations, 2018.

#### **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2018, the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Chapter IX of the SEBI (ICDR) Regulations, 2018:

- a) In accordance with regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting by LM and underwriter, please refer to chapter titled “General Information” beginning on page no. 36 of the Prospectus.
- b) In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have neither filed Draft Offer Document with SEBI nor has SEBI issued any observations on our Draft Offer Document. We shall also ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations to Stock Exchange and Prospectus along with a Due Diligence Certificate including additional confirmations with the Stock Exchange, Securities Exchange Board of India and the Registrar of Companies.
- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement, see chapter titled “General Information” beginning on page no. 36 of the Prospectus.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Listing at BSE Limited and compliance thereof are given hereunder;

**1. The Issuer should be a company incorporated under the Companies Act 1956.**

Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 2500.00 Lakh.**

The present paid-up capital of our Company is ₹ 480.00 Lakh and we are proposing issue of 1752000 Equity Shares of ₹ 10/- each at issue price of ₹ 60/- per Equity Share including share premium of ₹ 50/- per Equity Share, aggregating to ₹ 1051.20 Lakh. Hence, our Post Issue Paid up Capital will be ₹ 655.20 Lakh which less than ₹ 2500.00 Lakh.

**3. Positive Net worth.**

Our Company satisfies the criteria of Positive Net worth.

(₹ in lakh)

Particulars	As at June 30, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Net Worth as per Restated Financial Statement	350.18	316.25	234.50	230.47

**4. Track Record.**

**A. The company should have a (combined) track record of at least 3 years.**

Our Company is in existence for period more than 3 years.

**B. The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.**

Our Company satisfies the criteria of track record.

(₹ in lakh)

Particulars	For the period ended June 30, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash Accruals as per Restated Financial Statement	60.10	154.73	55.62	75.95
Net Worth as per Restated Financial Statement	350.18	316.25	234.50	230.47

## 5. Other Requirements

### A. It is mandatory for a company to have a website.

Our Company has functional website – www.axitacotton.com.

### B. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated November 5, 2018 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated November 12, 2018 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE02EZ01014

### C. There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

There is no such change in the Promoters of our Company.

## 6. Disclosures

We confirm that certificate confirming the below details is submitted to the Stock Exchange;

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Thus the Company is eligible for the Issue in accordance with Regulation 229(1) and other provision of Chapter IX of SEBI (ICDR) Regulations, 2018 as the post issue face value capital does not exceed ten crore rupees. The Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of its Equity Shares.

### 2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

The present issue is Fixed Price Issue.

### 2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### 2.5 Migration To Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following;

If the Paid up Capital of the company is more than ₹ 10 crores and up to ₹ 25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

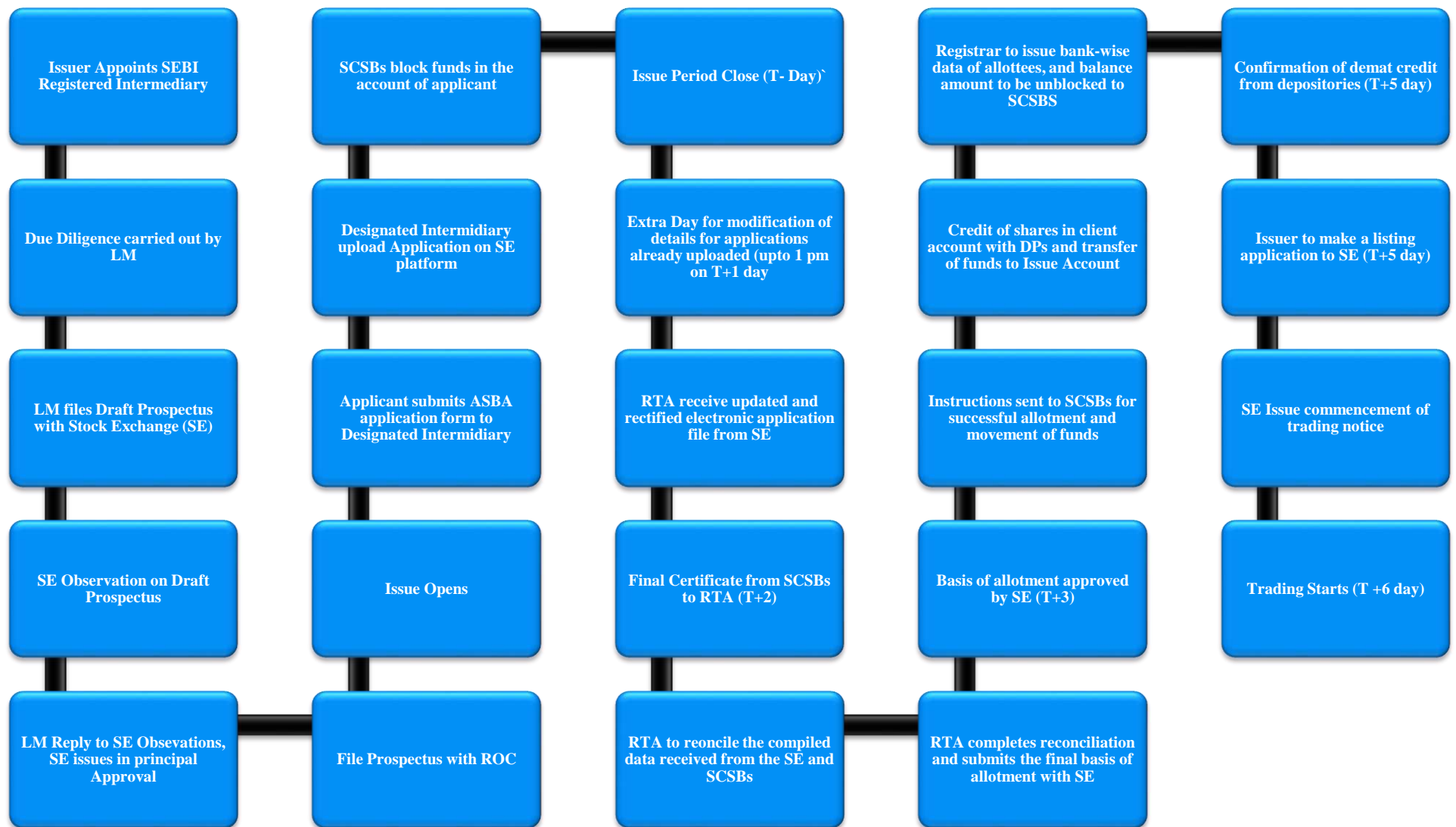
Where the post-issue face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless;

- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

## **2.6 Flowchart of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:



### **Section 3: Category of Investors Eligible to Participate in an Issue**

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

Subject to the above, an illustrative list of Applicants is as follows:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- 1. Minors (except under guardianship)
- 2. Partnership firms or their nominees
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

#### **Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. The samples of the Common Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:





TO,  
THE BOARD OF DIRECTORS  
AXITA COTTON LIMITED

FIXED PRICE SME ISSUE

ISIN : INE02EZ01014

**Application Form No.**

CIN: U17200GJ2013PLC076059

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST APPLICANT</b>
		Mr. /Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST APPLICANT</b>
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Individual(s) - IND
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Hindu Undivided Family* - HUF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Bodies Corporate - CO
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Banks & Financial Institutions - FI
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Mutual Funds - MF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> National Investment Funds - NIF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Non Resident Indians - NRI (Non-Repatriation basis)
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Alternative Investment Funds - AIF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Insurance Fund - IF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Insurance Companies - IC
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Venture Capital Funds - VCF
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<input type="checkbox"/> Others (Please specify) - OTH
<small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)</small>	
<b>4. APPLICATION DETAILS</b>	
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ 60 per share <sup>(1)</sup>	
(In figures) <span style="border: 1px solid black; display: inline-block; width: 40px; height: 15px;"></span>	(In words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>(2)</sup></b>	
<small><sup>(1)</sup> Please note that applications must be made in minimum lot size of 2000 shares and further multiples of 2000 shares accordingly.</small>	
<small><sup>(2)</sup> Please note that the equity shares on allotment will be traded only in the dematerialized mode on the SME Platform of BSE Limited</small>	
<b>5. CATEGORY</b>	
<input type="checkbox"/> Retail Individual Bidder	
<input type="checkbox"/> Non-Institutional Bidder	
<input type="checkbox"/> QIB	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT</b>
Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
<b>ASBA</b>	
Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION REVISION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 40px;"></span>	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue: 1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 40px;"></span>
Date : _____, 20__		

TEAR HERE

	<b>AXITA COTTON LIMITED</b>	<b>Acknowledgement Slip for Broker / CDP / RTA</b>	<b>Application Form No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; vertical-align: middle;"></span>
	<b>INITIAL PUBLIC ISSUE - R</b>		

DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	PAN of Sole / First Applicant <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
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Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>Stamp &amp; Signature of SCSB Branch</b>
Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 40px;"></span>
Received from Mr./Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		
Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		

TEAR HERE

<b>AXITA COTTON LIMITED - INITIAL PUBLIC ISSUE - R</b>	No. of Equity Shares	In Figure <span style="border: 1px solid black; display: inline-block; width: 40px; height: 15px;"></span>	In Words <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	Stamp & Signature of SCSB / Collection Banker <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>Name of Sole / First Applicant</b>
	Amount Blocked (₹)				<b>Acknowledgement Slip for Applicant</b>
	ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				<b>Application Form No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; vertical-align: middle;"></span>
	Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				



TO,  
THE BOARD OF DIRECTORS  
AXITA COTTON LIMITED

FIXED PRICE SME ISSUE

ISIN : INE02EZ01014

Application Form No. \_\_\_\_\_

CIN: U17200GJ2013PLC076059

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST APPLICANT</b>
		Mr./Ms./M/s. _____ _____ _____ Address _____ _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST APPLICANT</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
	<input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis)
	<input type="checkbox"/> Foreign Institutional Investor - FII/
	<input type="checkbox"/> Foreign Portfolio Investor - FPI
	<input type="checkbox"/> Foreign Venture Capital Investor - FVCI
	<input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA
	<input type="checkbox"/> Others - OTH (please specify)
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
<b>4. APPLICATION DETAILS</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ 60 per share <sup>(1)</sup>	<input type="checkbox"/> Retail Individual Bidder
(In figures) _____ (In words) _____	<input type="checkbox"/> Non-Institutional Bidder
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>(2)</sup></b>	<input type="checkbox"/> QIB
<small><sup>(1)</sup> Please note that applications must be made in minimum lot size of 2000 shares and further multiples of 2000 shares accordingly.</small>	
<small><sup>(2)</sup> Please note that the equity shares on allotment will be traded only in the dematerialized mode on the SME Platform of BSE Limited</small>	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : FULL PAYMENT</b>
Amount Blocked (₹ in figures) _____ (₹ in words) _____	
<b>ASBA</b>	
Bank A/c No. _____	
Bank Name & Branch _____	
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION REVISION FORM GIVEN OVERLEAF.</small>	

<b>8A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1) _____	
	2) _____	
	3) _____	
Date : _____, 20__		

TEAR HERE

	<b>AXITA COTTON LIMITED</b>	<b>Acknowledgement Slip for Broker / CDP / RTA</b>	Application Form No. _____
	<b>INITIAL PUBLIC ISSUE - NR</b>		

CIN: U17200GJ2013PLC076059

DPID / CLID _____	PAN of Sole / First Applicant _____
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Amount Blocked (₹ in figures) _____	ASBA Bank A/c No. _____	Stamp & Signature of SCSB Branch
Bank & Branch _____		
Received from Mr./Ms./M/s. _____		
Telephone / Mobile _____ Email _____		

TEAR HERE

<b>AXITA COTTON LIMITED - INITIAL PUBLIC ISSUE - NR</b>	No. of Equity Shares	In Figure	In Words	Stamp & Signature of SCSB / Collection Banker	Name of Sole / First Applicant
	Amount Blocked (₹)				<b>Acknowledgement Slip for Applicant</b>
	ASBA Bank A/c No. _____				Application Form No. _____
	Bank & Branch _____				

#### 4.1.1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of \Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer.
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
  - **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
  - **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### 4.1.2. FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. A Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3. FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4. FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer may mention Price in the Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
  - i. For Retail Individual Applicants

The Application must be for a minimum of 2000 equity shares. As the application price payable by the retail individual applicants cannot exceed ₹ 200000 they can make Application for only minimum Application size i.e. for 2000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
  - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

- ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
- iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6. FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7. FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### **4.1.7.1. Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The application form submitted by an applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.

- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

#### **4.1.7.2. UNBLOCKING OF ASBA ACCOUNT**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.



- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

#### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9. FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.



For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.

- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON REVISION FORM</b>	<b>AXITA COTTON LIMITED - INITIAL PUBLIC ISSUE - R</b> <small>Registered office: Survey No. 324, 357, 358, Kadi Tal Road, Borisana, Kadi, Mahesana-382715, Gujarat. Website: www.axitacotton.com. E-Mail: <a href="mailto:axita@axitacotton.com">axita@axitacotton.com</a>, Company Secretary and Compliance Officer: Mr. Deepak Kumar Chaudhri; Telephone No.: +91 68537 47214</small>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>			
	<b>TO,</b> THE BOARD OF DIRECTORS AXITA COTTON LIMITED	<b>Application Form No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>			
		<b>FIXED PRICE SME ISSUE</b>			
		<b>ISIN : INE02EZ01014</b>			
<small>CIN: U17200GJ2013PLC076059</small>					
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST APPLICANT</b>			
		Mr. / Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
		Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
		Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
		Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST APPLICANT</b>			
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			
		<small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>			
<b>PLEASE CHANGE MY APPLICATION</b>					
<b>4. FROM (AS PER LAST APPLICATION OR REVISION)</b>					
<b>Options</b>	<b>No. of Equity Shares Application (Application must be in multiples of 2000 Equity Share)</b> <small>(In Figures)</small>	<b>Price per Equity Share (₹) 60/-</b> <small>(In Figures)</small>			
	8   7   6   5   4   3   2   1	Issue Price   Retail Discount   Net Price			
Option 1	8   7   6   5   4   3   2   1	3   2   1   3   2   1   3   2   1			
(OR) Option 2	----- NOT APPLICABLE -----	----- NA -----			
(OR) Option 3	----- NOT APPLICABLE -----	----- NA -----			
<b>5. TO (Revised Application)</b>					
<b>Options</b>	<b>No. of Equity Shares Application (Application must be in multiples of 2000 Equity Share)</b> <small>(In Figures)</small>	<b>Price per Equity Share (₹) 60/-</b> <small>(In Figures)</small>			
	8   7   6   5   4   3   2   1	Issue Price   Retail Discount   Net Price			
Option 1	8   7   6   5   4   3   2   1	3   2   1   3   2   1   3   2   1			
(OR) Option 2	----- NOT APPLICABLE -----	----- NA -----			
(OR) Option 3	----- NOT APPLICABLE -----	----- NA -----			
<b>6. PAYMENT DETAILS</b>					
<b>Additional Amount Blocked (₹ in figures)</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		<b>PAYMENT OPTION : FULL PAYMENT</b>			
<b>(₹ in words)</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>					
<b>ASBA</b>					
<b>Bank A/c No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>					
<b>Bank Name &amp; Branch</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>					
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION REVISION FORM GIVEN OVERLEAF.</small>					
<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue</small>	<b>BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>			
Date : <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> / <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> / 20 <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span>	1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
<b>TEAR HERE</b>					
	<b>AXITA COTTON LIMITED</b>	<b>Acknowledgement Slip for Broker / CDP / RTA</b>			
<b>REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		<b>Application Form No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>			
<small>CIN: U17200GJ2013PLC076059</small>		<b>PAN of Sole / First Applicant</b>			
<b>DPID / CLID</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
<b>Additional Amount Blocked (₹)</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		<b>Stamp &amp; Signature of SCSB Branch</b>			
<b>Bank &amp; Branch</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>			
<b>Received from Mr./Ms./M/s.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>					
<b>Telephone / Mobile</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>Email</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>				
<b>TEAR HERE</b>					
<b>AXITA COTTON LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>No. of Equity Shares</b>	<b>In Figure</b>	<b>In Words</b>	<b>Stamp &amp; Signature of SCSB / Collection Banker</b>	<b>Name of Sole / First Applicant</b>
	<b>Amount Blocked (₹)</b>				<b>Acknowledgement Slip for Applicant</b>
	<b>ASBA Bank A/c No.</b>				<b>Application Form No.</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
	<b>Bank &amp; Branch</b>				





TO,  
THE BOARD OF DIRECTORS  
AXITA COTTON LIMITED

FIXED PRICE SME ISSUE

ISIN : INE02EZ01014

Application Form No.

CIN: U17200GJ2013PLC076059

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST APPLICANT</b>
		Mr. / Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
		Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST APPLICANT</b>
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
<small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>		

**PLEASE CHANGE MY APPLICATION**

4. FROM (AS PER LAST APPLICATION OR REVISION)																
Options	No. of Equity Shares Application (Application must be in multiples of 2000 Equity Share)							Price per Equity Share (₹) 60/-								
	(In Figures)							(In Figures)								
	8	7	6	5	4	3	2	1	Issue Price			Retail Discount			Net Price	
Option 1								3	2	1	3	2	1	3	2	1
(OR) Option 2	NOT APPLICABLE							NA								
(OR) Option 3	NOT APPLICABLE							NA								

5. TO (Revised Application)																
Options	No. of Equity Shares Application (Application must be in multiples of 2000 Equity Share)							Price per Equity Share (₹) 60/-								
	(In Figures)							(In Figures)								
	8	7	6	5	4	3	2	1	Issue Price			Retail Discount			Net Price	
Option 1								3	2	1	3	2	1	3	2	1
(OR) Option 2	NOT APPLICABLE							NA								
(OR) Option 3	NOT APPLICABLE							NA								

<b>6. PAYMENT DETAILS</b>										<b>PAYMENT OPTION : FULL PAYMENT</b>		
Additional Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>										(₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>		
<b>ASBA</b>												
Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>												
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>												

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date : _____, 20__	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1) _____	
	2) _____	
	3) _____	

TEAR HERE



**AXITA COTTON LIMITED**  
REVISION FORM - INITIAL PUBLIC ISSUE - NR

**Acknowledgement Slip for Broker / CDP / RTA**

Application Form No.

CIN: U17200GJ2013PLC076059

PAN of Sole / First Applicant

<b>DPID / CLID</b>	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>
Additional Amount Blocked (₹)		ASBA Bank A/c No.
Bank & Branch		Stamp & Signature of SCSB Branch
<b>REVISIED BID</b>		
Received from Mr./Ms./M/s. <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>		
Telephone / Mobile	Email	

TEAR HERE

**AXITA COTTON LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR**

<b>No. of Equity Shares</b>	In Figure	In Words	Stamp & Signature of SCSB / Collection Banker
<b>Amount Blocked (₹)</b>			
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>			
Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100%; height: 15px;"></span>			

Name of Sole / First Applicant

**Acknowledgement Slip for Applicant**

Application Form No.

#### **4.2.1. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2. FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed ₹ 2,00,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3. FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4. FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode respectively.

## **SECTION 5: Issue Procedure in Fixed Price Issue**

### **5.1. Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

### **5.2. Grounds for Technical Rejections**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.

- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **SECTION 6: Issue Procedure in Book Built Issue**

This being the Fixed Price Issue this section is not applicable for this Issue.

#### **SECTION 7: Allotment Procedure and Basis of Allotment**

##### **7.1. Basis of Allotment**

Allotment will be made in consultation with SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 2000 Equity Shares the allotment will be made as follow:
  - (i). Each successful applicant shall be allotted 2000 Equity Shares;
  - (ii). The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (a) and (b) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 Equity Shares subject to a minimum allotment of 2000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - (i). As per Regulation 32(4) of the SEBI (ICDR) Regulations, 2018, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - (ii). Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE Limited.

The Executive Director/ Managing Director of the SME Platform of BSE Limited, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

## 7.2. Designated Date and Allotment of Equity Shares

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant’s depository account is completed within 5 Working Days of the Issue Closing Date,

## **SECTION 8: Interest and Refunds**

### **8.1. Completion of Formalities for Listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2. Grounds for Unblocking of Funds**

#### **8.2.1. Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate and disclosed in the Prospectus.

#### **8.2.2. Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6working days of closure of the issue.

Further in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

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 applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

#### **8.2.3. Minimum number of Allottees**

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### **8.3. Mode of Unblocking of Funds**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### **8.3.1. Mode of making refunds for Applicants**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

#### 8.4. Interest in case of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

#### **SECTION 9: Glossary and Abbreviations**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allotment/ Allotted	Allot/ The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Applicant	Prospective Applicants in the Issue who apply through ASBA
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	A Application made by an ASBA Applicant
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	An indication to make an offer during the Issue Period by a prospective Applicant pursuant to submission of Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI (ICDR) Regulations, 2018,
Broker Centres	Broker centers notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account



Term	Description
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> <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>
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI (ICDR) Regulations, 2018.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations, 2018 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus.
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI (ICDR) Regulations, 2018, in terms of which the Issue is being made
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date

Term	Description
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI (ICDR) Regulations, 2018. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Maximum Allottees	RII The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Net Issue	The Issue less reservation portion
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 and 32 of Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis



Term	Description
Qualified Institutional Buyers or QIBs	As defined under SEBI (ICDR) Regulations, 2018
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 2,00,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicant in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies, Ahmedabad
RTA	Registrar to the Issue and Share Transfer Agent
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2018	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Self-Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> and <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>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Working Days	<p>i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;</p> <p>ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, 2018.</p>

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which is effective from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **I. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **II. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e. the total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

#### **III. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.**

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### PROVISIONS OF ARTICLES OF ASSOCIATION

Title of Articles	Article Number	Content
<b>INTERPRETATION</b>	1.	<p>In these Articles –</p> <p>(a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and if the context so requires may also include the Companies Act, 1956.</p> <p>(b) “Articles” means these articles of association of the Company or as altered from time to time.</p> <p>(c) “Board of Directors” or “Board” means collective body of Directors of the Company,</p> <p>(d) “Beneficial Owner” shall mean the beneficial owners defined in clause (a) of sub-section (I) of section 2 of Depositories Act, 1996.</p> <p>(e) “Company” means Axita Cotton Limited or any other name as reflected on the latest Certificate of Incorporation issued by the Registrar of Companies.</p> <p>(f) “Depositories Act” means the Depositories Act, 1996 and includes any statutory modification(s) or re-enactment thereof for the time being in force.</p> <p>(g) “Depository” means a Depository as defined under clause (e) of sub section (I) of section 2 of the Depositories Act 1996.</p> <p>(h) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p> <p>(i) “Seal” means the common seal to be kept by the Company, if so decided by the Board of Directors.</p> <p>(j) “Secretary” means any person appointed to perform the duties which may be performed by a secretary under the Act and any other purely ministerial or administrative duties and includes any person appointed to perform the duties of a secretary temporarily.</p> <p>(k) “The Office” means the Registered Office for the time being of the Company.</p>
	2.	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
	3.	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act and Rules made thereunder and any statutory modification thereof in force at the date at which these regulations become binding on the company.
	4.	<p><b>Table ‘F’ not to apply</b></p> <p>The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.</p>
	5.	<p><b>General Power</b></p> <p>Wherever in the Companies Act, 2013 or Rules made thereunder, it has been provided that the Company shall have any right, privilege or authority or that Company cannot carry out any transaction unless the Company is so authorised by its Articles, then in that case, Articles hereby authorise and empower the</p>

Title of Articles	Article Number	Content
		Company to have such rights, privileges or Authority and to carry out such transaction as have been permitted by the Companies Act, 2013.
<b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>		
	6.	<p><b>Amount of Capital</b>  The Authorised Share Capital of the Company shall be as per Paragraph V of the Memorandum of Association of the Company, with such rights, privileges and conditions attaching thereto as may be determined by the Company, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, subject to the provisions of the Act, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.</p>
	7.	<p><b>Shares under control of Board</b>  Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</p>
	8.	<p><b>Directors may allot shares for consideration other than cash</b>  The Board may issue and allot shares in the Capital of the company as payment or part payment for any property sold or transferred, goods or machinery supplied or for service rendered to the Company in or about the conduct of the company's business and shares to be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.</p>
	9.	<p><b>Kinds of Share Capital</b>  The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:  (a). Equity Share Capital:  i. with voting rights; and / or  ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and  (b). Preference Share Capital</p>
	10.	<p><b>Issue of Certificate</b>  i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—  (a). one certificate for all his shares without payment of any charges; or  (b). several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.  <b>Certificate to bear seal</b>  ii. Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon.  <b>One certificate for shares held jointly</b>  iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
	11.	<p><b>Issue of new certificate in place of one defaced, lost or destroyed</b>  i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon</p>

Title of Articles	Article Number	Content
		<p>proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p><b>Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.</b></p> <p>ii. Unless otherwise repugnant to the context, the provisions of this Articles of Association pertaining to shares shall mutatis mutandis apply to debentures and other securities of the company.</p>
	12.	<p><b>Trust not to be recognized</b></p> <p>Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
	13.	<p><b>Option to receive share certificate or hold shares with depository</b></p> <p>A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.</p>
	14.	<p><b>Power to pay Commission in connection with securities issued</b></p> <p>i. The company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.</p> <p><b>Rate of commission in accordance with Rules</b></p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the relevant provisions of the Act.</p> <p><b>Mode of payment of commission</b></p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p> <p><b>Brokerage</b></p> <p>iv. The Company may on any issue of securities pay such brokerage as may be reasonable and lawful.</p>
	15.	<p><b>Variation of Members' rights</b></p> <p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied after complying with the requisite procedures.</p> <p><b>Provisions as to general meetings to apply mutatis mutandis to each meeting</b></p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
	16.	<p><b>Issue of further shares not to affect rights of existing members</b></p> <p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p>



Title of Articles	Article Number	Content
	17.	<p><b>Power to Issue Redeemable Preference Shares</b>  Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p>
	18.	<p><b>Further issue of Share Capital</b>  i. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –  (a). persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or  (b). employees under any scheme of employees' stock option; or  (c). any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> <p><b>Mode of further issue of Shares</b>  ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p>
	19.	<p><b>Issue of warrants or other instruments</b>  Subject to the applicable statutory provisions, rules, regulations and guidelines and necessary approvals, the Company shall have power to issue warrant or other instrument, whether independent or attached with some other instrument or detachable and whether bearing any face value or not and with or without any right or entitlement or option to subscribe to or exchange with the equity shares or any kind of securities or not. The terms and conditions of such warrant or instrument may be decided by either under any applicable statutory provisions, rules, regulations, guidelines or by a special resolution of the members of the Company passed at a general meeting authorizing issue of such warrant or instrument or by the Board of Directors of the Company.</p>
	20.	<p><b>Beneficial owner of shares will be absolute owner</b>  Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the record of Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami, trust, or equity or equitable, contingent or other claim to or interest in such share(s) on the part of any other person(s), whether or not it shall have express or implied notice thereof.</p>
	21.	<p><b>Dematerialization of Shares</b>  Notwithstanding anything contained in these Articles, the Company shall be entitled in accordance with the provisions of the Depositories Act, 1996, to dematerialise any or all of its shares, debentures and other marketable securities and to offer the same for subscription in dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media, either In respect of the existing shares or any future issue.</p>
<b>LIEN</b>		
	22.	<p><b>Company's lien on shares</b>  i. The company shall have a first and paramount lien—  (a). on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p>



Title of Articles	Article Number	Content
		<p>(b). on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p><b>Lien to extend to dividends, etc.</b>  ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p> <p><b>Waiver of Lien in case of registration</b>  iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.</p>
	23.	<p><b>As to enforcing lien by sale</b>  The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:  Provided that no sale shall be made—</p> <p>(a). unless a sum in respect of which the lien exists is presently payable; or  (b). until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
	24.	<p><b>Validity of Sale</b>  i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p><b>Purchaser to be registered holder</b>  ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p><b>Validity of Company's receipt</b>  iii. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p> <p><b>Purchaser not affected</b>  iv. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
	25.	<p><b>Application of proceeds of sale</b>  i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p><b>Payment of residual money</b>  ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>
	26.	<p><b>Outsider's lien not to affect Company's lien</b>  i. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.</p>

Title of Articles	Article Number	Content
		<p><b>Provisions as to lien apply mutatis mutandis to debentures, etc.</b>            ii. The provisions of this Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.</p>
<b>CALLS ON SHARES</b>		
	27.	<p><b>Board may make calls</b>            i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.</p> <p><b>Notice of call</b>            ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p><b>Revocation or postponement of call</b>            iii. A call may be revoked or postponed at the discretion of the Board.</p> <p><b>Board may extend time for payment</b>            iv. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p>
	28.	<p><b>Call to take effect from date of resolution</b>            A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p>
	29.	<p><b>Liability of joint holders of shares</b>            The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>
	30.	<p><b>When interest on call or installment payable</b>            i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as may be fixed by the Board.</p> <p><b>Board may waive interest</b>            ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
	31.	<p><b>Sums deemed to be calls</b>            i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue of such sum becomes payable.</p> <p><b>Effect of non-payment of sums</b>            ii. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
	32.	<p><b>Payment in anticipation of calls may carry interest</b>            The Board—            (a). may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and            (b). upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be decided by the Board and as may be agreed upon between the Board and the member paying the sum in advance. Provided that such calls</p>

Title of Articles	Article Number	Content
		in advance shall not confer any additional dividend or additional voting right upon such member.
	33.	<b>Installments on shares to be duly paid</b> If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
	34.	<b>Calls on shares of same class to be on uniform basis</b> All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid- up shall not be deemed to fall under the same class.
	35.	<b>Partial payment not to preclude forfeiture</b> Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
	36.	<b>Evidence in action for call</b> On the trial or hearing of any action for the recovery of any amount due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the resolution making a call is duly recorded in the minute book; and that notice of such call was duly given to the member sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the directors who made such call nor any other matter whatsoever but the proof of the matter as aforesaid shall be conclusive evidence of the debt.
	37.	<b>Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.</b> The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
<b>TRANSFER OF SHARES</b>		
	38.	<b>Instrument of transfer to be executed by transferor and transferee</b> i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
	39.	<b>Board may refuse to register transfer</b> The Board may, subject to the right of appeal conferred by the Act decline to register— (a). the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b). any transfer of shares on which the company has a lien. (c). any transfer of shares on sufficient cause.
	40.	<b>Board may decline to recognize instrument of transfer</b> In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless— (a). the instrument of transfer is in the form as prescribed in rules made under the Act; (b). the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c). the instrument of transfer is in respect of only one class of shares.
	41.	<b>Transfer of Share Suspended</b>

Title of Articles	Article Number	Content
		On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
	42.	<p><b>Refusal Odd Lots</b></p> <p>Without in any way derogating from the powers conferred on the Board by Article 39 and 40, the Board shall be entitled to refuse an application for transfer of shares less than the market trading unit of shares of the Company subject, however, to the following exceptions.</p> <ul style="list-style-type: none"> <li>i. transfer of shares made in pursuance of any provision of law or statutory regulation or order, or an order of a competent Court of Law, or</li> <li>ii. transfer of the entire holding of shares by a shareholder holding less than the market trading unit of the Company's Shares by a single transfer to a single or joint names, or</li> <li>iii. transfer of share <ul style="list-style-type: none"> <li>(a). by a transferor whose shareholding after the transfer will result in his holding the market trading unit of the Company's shares or a multiple of such unit or</li> <li>(b). to one or more transferees, whose shareholding after the transfer (in case of transfer from more than one transferor all transfers being presented to the Company for approval simultaneously) together with the shares already held by him will result in a holding of the market trading unit of the Company's shares or a multiple of such unit, or</li> </ul> </li> <li>iv. transmission of shares under a will, and</li> <li>v. transfer of shares of less than the market trading unit held by a shareholder, where the Board/Committee of Directors may at its discretion and in exceptional circumstances or in cases of genuine hardship or for any other just and sufficient cause (the decision of the Board/ Committee being final and conclusive) accept such application.</li> </ul>
	43.	<p><b>Power to refuse sub-division and/or consolidation</b></p> <p>Notwithstanding anything contained hereinabove, the Directors/Committee of Transfer of the Company, may in their absolute discretion refuse sub-division and/or consolidation of Share Certificates or Debenture Certificates into denominations of less or more than marketable lots except where such sub-division and/or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law.</p>
	44.	<p><b>The Company not liable for disregard of notice prohibiting registration of transfer</b></p> <p>The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have notice of such equitable right, title or interest or notice prohibiting registration of such transfer and, may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.</p>
	45.	<p><b>Custody of Transfer documents</b></p> <p>The instrument of transfer shall after, registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the directors may decline to register shall on demand be returned to the person depositing the same. The directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.</p>
	46.	<b>Provisions to apply to debentures</b>

Title of Articles	Article Number	Content
		The provisions of these Articles for transfer and transmission of shares, shall mutatis mutandis apply to the transfer or transmission of any debentures of the Company.
<b>TRANSMISSION OF SHARES</b>		
	47.	<p><b>Title to shares on death of a member</b></p> <p>i. The executors or administrators of a deceased member or a holder of a Succession Certificate or other legal representation in respect of shares of a deceased member, where he was a sole or only surviving holder, shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors, administrators or holders unless such executors or administrators shall have first obtained Probate or Letter of Administration or such holder is the holder of a Succession Certificate or other legal representation, as the case may be, from a duly constituted Court in India, provided that In any case where the directors in their absolute discretion think fit, the directors may dispense with production of Probate or Letters of Administration or Succession Certificate or other legal representation, and, under the next Article, register the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p> <p><b>Estate of deceased member liable</b></p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
	48.	<p><b>Transmission Clause</b></p> <p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a). to be registered himself as holder of the share; or</p> <p>(b). to make such transfer of the share as the deceased or insolvent member could have made</p> <p><b>Board's right unaffected</b></p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p><b>Indemnity to the Company</b></p> <p>iii. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.</p>
	49.	<p><b>Board may require evidence of transmission</b></p> <p>Every transmission of a share shall be verified in such manner as the directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the directors to accept any indemnity.</p>
	50.	<p><b>Right to election of holder of share</b></p> <p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p><b>Manner of testifying election</b></p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p>

Title of Articles	Article Number	Content
		<p><b>Limitations applicable to notice</b>  iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
	51.	<p><b>Claimant to be entitled to same advantage</b>  A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
	52.	<p><b>Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.</b>  The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>
<b>FORFEITURE OF SHARES</b>		
	53.	<p><b>If call or installment not paid notice must be given</b>  If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.</p>
	54.	<p><b>Form of Notice</b>  The notice aforesaid shall—  (a). name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and  (b). state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
	55.	<p><b>In default of payment shares to be forfeited</b>  If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>
	56.	<p><b>Receipt of part amount or grant of indulgence not to affect forfeiture</b>  Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.</p>
	57.	<p><b>Entry of forfeiture in register of members</b>  When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.</p>
	58.	<p><b>Extinction of Interest and Claim against the Company upon forfeiture</b></p>



Title of Articles	Article Number	Content
		The forfeiture of a share shall involve extinction at the time of forfeiture of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
	59.	<p><b>Forfeited shares may be sold, etc.</b></p> <p>i. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.</p> <p><b>Cancellation of forfeiture</b></p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
	60.	<p><b>Cessation of membership and other effects of forfeiture</b></p> <p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p><b>Member still liable to pay money owing at time of forfeiture and interest</b></p> <p>ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</p> <p><b>Cesser of liability</b></p> <p>iii. The liability of such person shall cease, if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
	61.	<p><b>Certificate of forfeiture</b></p> <p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p><b>Title of purchaser and transferee of forfeited shares</b></p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p><b>Transferee to be registered as holder</b></p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p><b>Transferee not affected</b></p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
	62.	<p><b>Validity of sales</b></p> <p>Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.</p>
	63.	<p><b>Cancellation of share certificate in respect of forfeited shares</b></p> <p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the</p>

Title of Articles	Article Number	Content
		relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
	64.	<p><b>Surrender of shares</b> The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.</p>
	65.	<p><b>Sums deemed to be calls</b> The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
	66.	<p><b>Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.</b> The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>
<b>ALTERATION OF CAPITAL</b>		
	67.	<p><b>Power to alter share capital</b> Subject to the provisions of the Act, the company may, by ordinary resolution,— (a). increase its authorized share capital by such amount as it things expedient; (b). consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c). convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d). sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e). cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>
	68.	<p><b>Shares may be converted into stock</b> Where shares are converted into stock,— (a). the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p><b>Right of Stockholders</b> (b). the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c). such of these Articles of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>
	69.	<p><b>Reduction of capital</b> The company may, by resolution prescribed in the Act, reduce, in any manner, with and subject to, any incident authorized and consent required by law— (a). its share capital;</p>



Title of Articles	Article Number	Content
		(b). any capital redemption reserve account; or (c). any securities premium account. (d). any other reserve in the nature of share capital
<b>JOINT HOLDERS</b>		
	70.	<p><b>Joint Holders</b>            Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>Provided that in respect of shares already held in joint names in the past, the words “not more than four” shall be substituted in place of “not more than three” hereinabove.</p> <p><b>Liability of Joint-holders</b>            (a). The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.</p> <p><b>Death of one or more joint- holders</b>            (b). On the death of any one or more of such joint- holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p> <p><b>Receipt of one sufficient</b>            (c). Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p><b>Delivery of certificate and giving of notice to first named holder</b>            (d). Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> <p><b>Vote of joint-holders</b>            (e). (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p><b>Executors or administrators as joint holders</b>            (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> <p><b>Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.</b></p>

Title of Articles	Article Number	Content
		(f). The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.
<b>CAPITALIZATION OF PROFITS</b>		
	71.	<p><b>Capitalisation</b></p> <p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a). that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b). that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p><b>Sum how applied</b></p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
	72.	<p><b>Powers of the Board for capitalisation</b></p> <p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a). make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b). generally do all acts and things required to give effect thereto.</p> <p><b>Board's power to issue fractional certificate/coupon etc.</b></p> <p>(ii) The Board shall have power—</p> <p>(a). to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>(b). to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p><b>Agreement binding on members</b></p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
	73.	<b>Buy-back of shares and other specified securities</b>

Title of Articles	Article Number	Content
		Notwithstanding anything contained in these articles but subject to all applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>GENERAL MEETINGS</b>		
	74.	<b>Extraordinary general meeting</b> All general meetings other than annual general meeting shall be called extraordinary general meeting.
	75.	<b>Powers of Board to call extraordinary general meeting</b> The Board may, whenever it thinks fit, call an extraordinary general meeting.
<b>PROCEEDINGS AT GENERAL MEETINGS</b>		
	76.	<b>Presence of Quorum</b> (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act
	77.	<b>Chairperson of the meetings</b> (i) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.  <b>Business confined to election of Chairperson whilst chair vacant</b> (ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
	78.	<b>Directors to elect a Chairperson</b> If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
	79.	<b>Members to elect a Chairperson</b> If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
	80.	<b>Casting vote of Chairperson at general meeting</b> On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
	81.	<b>Minutes of proceedings of meetings and resolutions passed by Postal Ballot</b> (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.  <b>Discretion of Chairperson in relation to Minutes</b> (ii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.  <b>Minutes to be evidence</b> (iii) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
	82.	<b>Inspection of Minute-books of general meeting</b>

Title of Articles	Article Number	Content
		<p>(i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a). be kept at the registered office of the Company; and</p> <p>(b). be open to inspection of any member without charge, during 3.00 p.m. to 5.00 p.m. on all working days.</p> <p><b>Members may obtain copy of minutes</b></p> <p>(ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above.</p>
	83.	<p><b>Powers to arrange security at meetings</b></p> <p>The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p>
<b>ADJOURNMENT OF MEETING</b>		
	84.	<p><b>Chairperson may adjourn the meeting</b></p> <p>(i) The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.</p> <p><b>Business at adjourned meeting</b></p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p><b>Notice of adjourned meeting</b></p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p><b>Notice of adjourned meeting not required</b></p> <p>(iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>VOTING RIGHTS</b>		
	85.	<p><b>Entitlement to vote on show of hands and on poll</b></p> <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>(a). on a show of hands, every member present in person shall have one vote; and</p> <p>(b). on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
	86.	<p><b>Voting through electronic means</b></p> <p>A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p>
	87.	<p><b>Vote of joint-holders</b></p> <p>(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p><b>Seniority of names</b></p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
	88.	<p><b>How members <i>non compos mentis</i> and minor may vote</b></p>

Title of Articles	Article Number	Content
		A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
	89.	<b>Votes in respect of shares of deceased or insolvent members etc.</b> Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
	90.	<b>Business may proceed pending poll</b> Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
	91.	<b>Restriction on voting rights</b> No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
	92.	<b>Equal rights of members</b> Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
	93.	<b>Restriction on objecting qualification of any voter</b> (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
<b>PROXY</b>		
	94.	<b>Proxies when to be deposited</b> The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
	95.	<b>Form of proxy</b> An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.
	96.	<b>Proxy to be valid notwithstanding death of the Principal</b> 1. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>BOARD OF DIRECTORS</b>		
	97.	<b>Present Director</b> The present Directors of the Company are: (i) Mr. Amitkumar Govindbhai Patel (ii) Mr. Kushal Nitinbhai Patel (iii) Ms. Nitinbhai Govindbhai Patel

Title of Articles	Article Number	Content
	98.	<p><b>Number of Directors</b>  Unless otherwise determined in a general meeting of the Company and subject to the provisions of the Act and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, atleast two thirds of whom shall be liable to retire by rotation.</p>
	99.	<p><b>Appointment of Chairperson and Vice-chairperson</b>  The Directors may from time to time elect one of their number to be chairperson and vice-chairperson of the Board of Directors and determine the period for which they are to hold office. If at any meeting of the Board of Directors, the Chairperson is not present at the time appointed for holding the same, the Vice-chairperson shall preside and failing him the Directors present shall choose one of their number to be Chairperson of such meeting.</p>
	100.	<p><b>Appointment of Managing Director and/or Whole-time Director</b>  Subject to the provisions of the Act, the Company shall be entitled from time to time to appoint and/or employ any Director of the Company as Managing Director or Managing Directors and/or Whole time Director or Whole Time Directors and/or as head of any department of the Company and/or in any other capacity and for such period and on such remuneration as may be decided upon and the Board of Directors shall from time to time confer upon such appointee such powers as they may think fit and from time to time to revoke and/or modify the same and to suspend and/or remove such appointee.  Provided that the same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.</p>
	101.	<p><b>Remuneration of directors</b>  The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p>
	102.	<p><b>Remuneration to require members' consent</b>  (i) The remuneration payable to the directors, including any managing or whole - time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting or in the manner elsewhere provided in this Articles of Association.</p> <p><b>Travelling and other expenses</b>  (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  (a). in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or  (b). in connection with the business of the company.</p>
	103.	<p><b>Sitting Fee</b>  Every Director shall be paid out of the funds of the Company such sum as the Directors may from time to time determine for attending every meeting of the board or any committee of the Board, subject to the ceiling prescribed under the Act. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board and any other expenses properly incurred by them in connection with the business of the Company.</p>
	104.	<p><b>Nominee Director</b>  Subject to the provisions of the Act and to these Articles, whenever the Directors enter into a contract with any Government, Central, State or Local, any Bank/s or Financial Institution/s or any person/s [hereinafter referred to as "the Appointer"] for borrowing any money or for providing any guarantee or security for any technical or financial collaboration or assistance or for entering into any other arrangement, whatsoever, the Directors shall have the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such terms and conditions as may be mentioned in the agreement and that such Director or Directors may not liable to retire by rotation nor be required to hold any qualification shares. The Directors of Company may also</p>



Title of Articles	Article Number	Content
		agree that such Director may be removed from time to time by the appointer and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever.
	105.	<p><b>Debenture Directors</b> Any trust deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debenture stock, of one or more persons to be the director (s) of the Company or may empower such trustees or holders of debentures or debenture stock from time to time to remove any such director (s) so appointed. A director appointed under this Article is hereby referred to as a “Debenture Director” and the terms “Debenture Director” means a director for the time being in office under this Article. A debenture director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain that ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other powers herein contained.</p>
	106.	<p><b>Limit on number of non-rotational Directors</b> The provisions of Articles are subject to the provisions of the Act and the number of such Directors appointed under Articles excluding the Directors appointed by financial institutions for which special provisions have been made in the respective laws relating to such institutions shall not exceed in the aggregate one third of the total number of Directors for the time being in office. The remaining Directors shall be appointed by the Company in General Meeting.</p>
	107.	<p><b>Execution of negotiable instruments</b> All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>
	108.	<p><b>Special remuneration to Directors</b> If any Director being willing, shall be called upon to perform extra services which expression shall include work done by the Director as a member of any committee formed by the Directors or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Board may resolve to remunerate such Director either by a fixed sum or by a percentage of profit or otherwise as may be determined by the Directors and such remuneration may be in addition to the remuneration above provided.</p>
	109.	<p><b>Appointment of Additional Director</b> (i) Subject to the provisions of the Act, the Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p><b>Duration of office of Additional Director</b> (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p>
	110.	<p><b>Appointment of Alternate Director</b> (i) The Board may appoint an alternate director to act for a director (hereinafter in This Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p><b>Duration of office of Alternate Director</b></p>

Title of Articles	Article Number	Content
		<p>(ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p> <p><b>Re-appointment provisions applicable to Original Director</b>            (iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
	111.	<p><b>Appointment of director to fill a casual vacancy</b>            (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p><b>Duration of office of Director appointed to fill casual vacancy</b>            (ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>
<b>POWERS OF BOARD</b>		
	112.	<p><b>General powers of the Company vested in Board</b>            Without prejudice to the specific powers conferred upon the Board by the provisions of the Act and Rules made thereunder and these Articles, the management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.</p>
	113.	<p><b>Power and duties of Managing Director</b>            Subject to the superintendence, control and direction of the Board, the day to day management of the company shall be in the hands of the managing director(s). The Board may from time to time entrust to and confer upon the managing director(s) for the time being, save as hereafter in this Article provided, such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these presents confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers. Provided however that the Board shall not entrust to and confer upon the managing director(s) and the managing director(s) shall not have or be entitled to exercise the power (1) to make calls upon the members of the Company in respect of moneys unpaid on the shares held by them respectively, (2) to borrow any sum or sums of money for the purposes of the Company or to make loans out of the funds of the Company except within such limits as may from time to time be previously fixed by the Board or (3) to invest any of the moneys of the Company, beyond the limits fixed by the Board.</p>
<b>PROCEEDINGS OF THE BOARD</b>		
	114.	<b>When meeting to be convened</b>



Title of Articles	Article Number	Content
		<p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board</p> <p><b>Participation at Board Meetings</b></p> <p>(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p>
	115.	<p><b>Questions at Board meeting how decided</b></p> <p>(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p><b>Casting vote of Chairperson at Board meeting</b></p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
	116.	<p><b>Directors not to act when number falls below minimum</b></p> <p>The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.</p>
	117.	<p><b>Who to preside at meetings of the Board</b></p> <p>(i) The Chairperson of the Company shall be the Chairperson at meetings of the Board.</p> <p><b>Directors to elect a Chairperson</b></p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>
	118.	<p><b>Delegation of powers to Committee</b></p> <p>(i) The Board may, subject to the provisions of the Act, also delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>
	119.	<p><b>Chairperson of Committee</b></p> <p>(i) A committee may elect a Chairperson of its meetings.</p> <p><b>Who to preside at meetings of Committee</b></p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>
	120.	<p><b>Committee to meet</b></p> <p>(i) A committee may meet and adjourn as it thinks fit.</p> <p><b>Questions at Committee meeting how decided</b></p> <p>(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p> <p><b>Casting vote of Chairperson at Committee meeting</b></p> <p>(iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p>

Title of Articles	Article Number	Content
	121.	<p><b>Acts of Board or Committee valid notwithstanding defect of appointment</b> All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.</p>
	122.	<p><b>Passing of resolution by written consent</b> Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.</p>
	123.	<p><b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b></p> <p>Subject to the provisions of the Act,—</p> <p><b>Chief Executive Officer, etc.</b> (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p><b>Director may be Chief Executive Officer, etc.</b> (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>
	124.	<p><b>Dual position of Director</b> A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>
<b>CONSULTANTS AND ADVISORS</b>		
	125.	<p><b>Company may appoint consultants and/or advisors</b> The Company may, subject to the provisions of the Act and these presents appoint anybody corporate, firm or individual as its consultant(s) and/or advisor(s) on technical, financial and management matters, on such terms and conditions and on such remuneration as the Board may deem fit.</p>
<b>REGISTERS AND RECORDS</b>		
	126.	<p><b>Statutory Registers and Records</b> Subject to the provisions of the Act and Rules made there under, the Company shall keep and maintain at its registered office all statutory registers and records for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and records shall be open for inspection (wherever permissible) during 3.00 p.m. to 5.00 p.m. on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act and the Rules. The fees for obtaining extracts of the registers and records (wherever permissible) shall be also fixed by the Board but not exceeding the limits prescribed by the Act and the Rules.</p>
	127.	<p><b>Foreign Register</b> (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to</p>

Title of Articles	Article Number	Content
		<p>the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>(ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.</p>
<b>THE SEAL</b>		
	128.	<p><b>The seal, its custody and use</b></p> <p>(i) The Board shall provide for the safe custody of the seal, if any.</p> <p><b>Affixation of seal</b></p> <p>(ii) The seal, if any, of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of one director at least who shall sign every instrument to which the Seal is affixed in his presence and countersigned by the Secretary or such other person as the Board may appoint for the purpose and such director or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>
<b>DIVIDENDS AND RESERVE</b>		
	129.	<p><b>Company in general meeting may declare dividends</b></p> <p>The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p>
	130.	<p><b>Interim dividends</b></p> <p>Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p>
	131.	<p><b>Dividends only to be paid out of profits</b></p> <p>(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p><b>Carry forward of profits</b></p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
	132.	<p><b>Division of profits</b></p> <p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p><b>Payments in advance</b></p> <p>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p><b>Dividends to be apportioned</b></p> <p>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>

Title of Articles	Article Number	Content
	133.	<p><b>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from</b>  The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.</p>
	134.	<p><b>Retention of dividends</b>  The Board may retain dividends payable upon shares in respect of which any person is, under the transmission clause hereinabove contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>
	135.	<p><b>Dividend how remitted</b>  (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p><b>Instrument of payment</b>  (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p><b>Discharge to Company</b>  (iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p>
	136.	<p><b>Receipt of one holder sufficient</b>  Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.</p> <p>Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.</p>
	137.	<p><b>No interest on dividends</b>  No dividend shall bear interest against the company.</p>
	138.	<p><b>Waiver of dividends</b>  The waiver in whole or in part of any dividend on any share by any document (whether or not under seal, if any) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.</p>
<b>ACCOUNTS</b>		
	139.	<p><b>Inspection by Directors</b>  (i) The Board shall from time to time determine whether and to what extent and at What times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p><b>Restriction on inspection by members</b>  (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.</p>
<b>WINDING UP</b>		
	140.	<p><b>Winding up of Company</b>  Subject to the provisions of the Act and rules made there under—  (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part</p>

Title of Articles	Article Number	Content
		<p>of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
<b>INDEMNITY AND INSURANCE</b>		
	141.	<p><b>Directors and Officers right to indemnity</b></p> <p>(i) Subject to the provisions of the Act, every director, managing director, whole Time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p>
	142.	<p><b>Insurance</b></p> <p>The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>
<b>SECRECY CLAUSE</b>		
	143.	<p>(i) Subject to the provisions of Companies Act, 2013 no member shall be entitled to visit or inspect any work of the company without the permission of the Directors, Managing Directors or Secretary or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the company and which in the opinion of the Directors or the Managing Director will be inexpedient in the collective interests of the members of the company to communicate to the public or any member.</p> <p>(ii) Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the company will be upon entering his duties pledging himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus, will be delivered to the ROC for registration of the Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Servey No. 324, 357, 358, Kadi Thol Road, Borisana, Kadi, Mahesana-382715, Gujarat; from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### A. MATERIAL CONTRACTS

1. Memorandum of understanding dated October 25, 2018 between our Company and the Lead Manager.
2. Agreement dated October 25, 2018 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated October 25, 2018 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated October 25, 2018 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated November 5, 2018.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated November 12, 2018.
7. Banker's to the Issue Agreement dated December 4, 2018 between our Company, the Lead Manager, Bankers to the Issue and Refund Banker and the Registrar to the Issue.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated October 16, 2018 and Special Resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on October 18, 2018.
3. Statement of Tax Benefits dated October 30, 2018 issued by our Statutory Auditors M/s. Manish Dave & Co., Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor – M/s. Purushottam Khandelwal & Co., Chartered Accountants dated November 1, 2018 included in the Prospectus.
5. Copy of Certificate from M/s. Manish Dave & Co., Chartered Accountants dated November 3, 2018, regarding the source and deployment of funds up to November 2, 2018 towards the objects of the offer.
6. Copy of Certificate from M/s. Manish Dave & Co., Chartered Accountants dated October 22, 2018, regarding the Source of Minimum Capital Contribution by Promoters.
7. Copy of Financial Statement for the period ended on June 30, 2018 and copies of Annual reports of the Company for the financial years ended on March 31,; 2018, 2017, 2016, 2015, and 2014.
8. Consent of Promoters, Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer review Auditor, Legal Advisor to the Issue, Bankers to our Company, Banker's to the Issue and Refund Banker, Lead Manager to the Issue and Underwriter, Registrar to the Issue, Market Maker to include their names in the Prospectus to act in their respective capacities.
9. Due Diligence Certificate from Lead Manager dated December 14, 2018 addressing BSE.
10. Copy of Board Resolutions and Shareholders' Resolutions for appointment and fixing of remunerations of Mr. Nitinbhai Govindbhai Patel as Chairman and Managing Director; Mr. Kushal Nitinbhai Patel as Managing Director and Mr. Amitkumar Govindbhai Patel as Whole-Time Director.

11. Copy of In-principle approval letter dated December 11, 2018 from the BSE Limited.

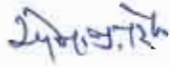


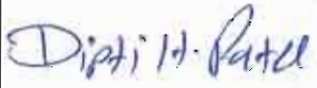
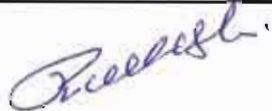
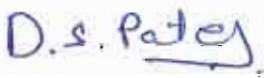
Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.




## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the regulations issued by 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 this 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 issued thereunder or regulations issued thereunder, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of the Company:

Name	Designation	Signature
Mr. Nitinbhai Govindbhai Patel	Chairman & Managing Director	
Mr. Kushal Nitinbhai Patel	Managing Director	
Mr. Amitkumar Govindbhai Patel	Whole Time Director	
Mrs. Diptiben Hemantkumar Patel	Independent Director	
Mr. Rakesh Mahendrakumar Patel	Independent Director	
Mr. Dhruven Shaileshbhai Patel	Independent Director	

Signed by:

Name	Designation	Signature
Ms. Riya Amit Patel	Chief Financial Officer	
Mr. Deepakkumar Kushalchandra Chaubisa	Company Secretary & Compliance Officer	

Place: Ahmedabad  
Date: December 14, 2018

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by 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 this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Mr. Nitinbhai Govindbhai Patel	Chairman & Managing Director	--- Sd ---
Mr. Kushal Nitinbhai Patel	Managing Director	--- Sd ---
Mr. Amitkumar Govindbhai Patel	Whole Time Director	--- Sd ---
Mrs. Diptiben Hemantkumar Patel	Independent Director	--- Sd ---
Mr. Rakesh Mahendrakumar Patel	Independent Director	--- Sd ---
Mr. Dhruven Shaileshbhai Patel	Independent Director	--- Sd ---

### Signed by:

Name	Designation	Signature
Ms. Riya Amit Patel	Chief Financial Officer	--- Sd ---
Mr. Deepakkumar Kushalchandra Chaubisa	Company Secretary & Compliance Officer	--- Sd ---

**Place: Ahmedabad**

**Date: December 14, 2018**

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY  
BEELINE BROKING LIMITED SHALL BE READ AS UNDER:**

**TABLE 1**

Sr. No.	Issue Name	Issue Size (₹ in 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.	Ranjeet Mechatronics Limited	4.50	25.00	September 26, 2018	27.50	+42.40% (-7.81)	N.A.	N.A.
2.	Shubham Polyspin Limited	6.00	40.00	October 12, 2018	41.80	+6.25% (+1.45)	N.A.	N.A.

**Note:**

- Price on BSE are considered for all above calculations.
- The S&P BSE Sensex are considered as the Benchmark.
- “Issue Price” is taken as “Base Price” for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> Calendar days from listing.
- “Closing Benchmark” on the listing day of respective scripts is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 5 below.
- In case 30<sup>th</sup> day is not a trading day, closing price on BSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered. Shubham Polyspin Limited is fallen under this category.

**SUMMARY STATEMENT OF DISCLOSURE**

**TABLE 2**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%
2018-19	2	10.50	-	-	-	-	1	1	-	-	-	-	-	-
2017-18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2016-17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.