RED HERRING PROSPECTUS
Dated: December 24, 2021
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

AB Cotspin India Limited

Our Company was originally incorporated as "Ganga Cottex Private Limited" at Jalandhar, as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 23, 1997 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh bearing number 16-20118 of 1997. Subsequently our Company was converted from Private Limited Company to a Public Limited Company pursuant to a special resolution passed by the members of our Company in the Extra-ordinary General meeting held on March 20, 2010 and the name of the our company was changed to "Ganga Cottex Limited". Further, the name of our company was changed to "AB Cotspin India Limited" and a fresh Certificate of Incorporation dated December 24, 2010. For details of changes in name and registered office of our Company since incorporation, see "History and Certain Corporate Matters" beginning on page 126.

CIN: U17111PB1997PLC020118
Registered Office: 176, Homeland Enclave, Bathinda, Punjab – 151001**. Tel. No.:** +91 01642970169**; Website:** www.abcotspin.com;
Contact Person: Kannu Sharma, Company Secretary and Compliance officer, **E-mail:** investors@abcotspin.in
PROMOTERS OF OUR COMPANY: DEEPAK GARG and POOJA GARG

THE ISSUE

INITIAL PUBLIC ISSUE CONSISTING OF FRESH ISSUE OF UPTO 28,84,000* EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF A B COTSPIN INDIA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UPTO ₹ [●] LAKHS (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UPTO 1,48,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING ₹ [●] LAKHS FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UPTO 27,36,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE, AGGREGATING ₹ [●] LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.02 % AND 26.58 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER,BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER, BUSINESS STANDARD AND THE REGIONAL NEWSPAPER DAILY NAWAN ZAMANA,PUNJABI EDITION, (PUNJABI BEING THE LOCAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS SITUATED], EACH WITH WIDE CIRCULATION, AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED REFERRED TO AS THE "STOCK EXCHANGE" FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

IN CASE OF ANY REVISION TO THE PRICE BAND, THE BID/OFFER PERIOD WILL BE EXTENDED BY AT LEAST THREE ADDITIONAL WORKING DAYS AFTER SUCH REVISION IN THE PRICE BAND, SUBJECT TO THE BID/OFFER PERIOD NOT EXCEEDING 10 WORKING DAYS.IN CASE OF ANY REVISIONS IN THE PRICE BAND OR FORCE MAJEURE, BANKING STRIKE OR SIMILAR CIRCUMSTANCES, THE ISSUER MAY, FOR REASONS TO BE RECORDED IN WRITING, MAY EXTEND THE BID / ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. ANY REVISION IN THE PRICE BAND AND THE REVISED BID / ISSUE PERIOD, WILL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE STOCK EXCHANGE, BY ISSUING A PRESS RELEASE, AND ALSO BY INDICATING THE CHANGE ON THE WEBSITE OF THE BRLM AND THE TERMINALS OF THE SYNDICATE MEMBER(S) AND BY INTIMATION TO THE DESIGNATED INTERMEDIARIES AND THE SPONSOR BANK, AS APPLICABLE.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post- issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended the ("SEBI ICDR Regulations") and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, as amended. All Bidders, shall only participate in the issue through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPI ID for RIIs using UPI Mechanism) (UPI ID, RIIs and UPI Mechanism are defined hereinafter) wherein the Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 200 of this Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value of the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 86 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on EMERGE Platform of National Stock Exchange of India Limited. No assurance can be given regarding an active or sustained trading in the Equity Shares or 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 28 of this RHP.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company offered through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an In-principle approval letter dated December 23, 2021from National Stock Exchange of India Limited for using its name in the Offer document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai 400051, Maharashtra, India **Tel:** +91-22 6194 6700 **Fax:** +91-22 2659 8690 **Email:** ipo@pantomathgroup.com **Website:** www.pantomathgroup.com **Investor Grievance Id:** ipo@pantomathgroup.com **Contact Person:** Jigar Jain **SEBI Registration No:** INM000012110	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, L.BS. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India **Tel:** +91-022-49186200 **Fax:** +91-022-49186195 **Email:** abcotspin.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor Grievance Id:** abcotspin.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration Number:** INR000004058

ISSUE PROGRAMME

BID / ISSUE OPENS ON : Thursday, December 30, 2021 **BID / ISSUE CLOSES ON: Monday, January 03, 2022**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

GENERAL TERMS:

Term	Description
"AB Cotspin India Limited" or "AB Cotspin" or "Our Company", "the Company" or "we", "us", "our", or "Issuer" or the "Issuer Company"	Unless the context otherwise requires, refers to AB Cotspin India Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at 176 Homeland Enclave, Bathinda, Punjab -151001, India.
"We", "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company

COMPANY RELATED TERMS:

Term	Description
AOA/ Articles/ Articles of Association	Articles of Association of *AB Cotspin India Limited*, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations *vide* Board resolution dated April 26, 2021. For details, please refer to the section titled "*Our Management*" on page 126 of this Red Herring Prospectus.
Auditor or Statutory Auditor	The statutory auditor of our Company, being M/s. Shiv Jindal & Co., *Chartered Accountant* holding a valid peer review certificate dated September 24, 2021.
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled "*General Information*" on page 53 of this Red Herring Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of AB Cotspin India Limited, including all duly constituted Committee(s) thereof.
Chairman/ Chairperson	The Chairman of Board of Directors of our Company being Deepak Garg.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Kannu Sharma.
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company being Niti Rajan Bansal.
CIN	Corporate Identification Number U17111PB1997PLC020118
Director(s)	Director(s) of our Company, unless otherwise specified
Executive Director	An executive director of our Company
Equity Shareholders/ shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of ₹ 10/- each fully paid up unless otherwise specified in the context thereof.
Group Companies	Such Companies as are included in the chapter titled "*Our Group Companies*" beginning on page 140 of this Red Herring Prospectus.
Independent Director	A non-executive, independent Director as per the Companies Act, 2013 and the Listing Regulations.
IPO Committee	The IPO Committee constituted by our Board, to facilitate the process of the Issue, described in "*Our Management*" on page 126 of this Red Herring Prospectus *vide* Board resolution dated April 26, 2021.
ISIN	International Securities Identification Number. In this case being INE08PH01015
Key Managerial Personnel (KMP)	Key managerial personnel of our Company in terms of Regulation 2 (1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies

Term	Description
	Act, 2013 and as identified in chapter titled "*Our Management*" beginning on page 126 of this Red Herring Prospectus.
Managing Director	Managing director of our Company, Deepak garg. For details, see "*Our Management*" beginning on page 126
Manufacturing Unit	Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202
Materiality Policy	The policy adopted by our Board on April 26, 2021 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations.
Market maker	The market maker of our Company being Pentagon Stock Brokers Private Limited
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as the Company's Nomination & Remuneration Committee in accordance with Section 178(1) of the Companies Act, 2013 vide Board resolution dated April 26, 2021. For details, please refer to the chapter titled "*Our Management*" on page 126 of this Red Herring Prospectus.
Non-Executive Director	A Director, not being an Executive Director
Plot/ Land/Property	Besides the factory land Company owns various lands vide Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2, situated opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202 Agricultural Land vide Khasra Nos. 325/14/2, 1020, 519/21/2/2, 372/10/2 opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.
Promoter, Promoters or our Promoters	Promoters of our Company being Deepak Garg & Pooja Garg.
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled "*Our Promoter and Promoter Group*" beginning on page 137 of this Red Herring Prospectus.
Registered Office	The Registered office of our Company situated at 176, Homeland Enclave, Bathinda, Punjab-151001.
Restated Financial Statements	The restated financial statements of our Company for the period ended June 30, 2021 and for the financial years ended March 31,2021, 2020, and 2019 which comprising of (i) the restated balance sheet as at and for the Three months ended June 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, (ii) the restated summary statements of profit and loss and the restated summary statement of cash flows for the Three months ended June 30, 2021 for the financial years ended March 31,2021, March 31, 2020 and March 31, 2019, and (iii) notes thereto prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time and included in "*Financial Statements*" on page 144 of this Red Herring Prospectus.
RoC / Registrar of Companies	The Registrar of Companies, 1st floor, Corporate Bhawan, Plot No. 4-B, Sector 27-B, Chandigarh , PIN – 160019.
Shareholders	Holders of equity shares of our Company from time to time
Shop cum Godown	Bhupa Singh wali Gali, Goniana Mandi,Distt. Bathinda, Punjab-151202
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as the Company's Stakeholders' Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 vide Board resolution dated April 26, 2021. For details, please refer to the section titled "*Our Management*" on page 126 of this Red Herring Prospectus.

Term	Description
Wholetime Director	Wholetime director on our Board as described in "*Our Management*" beginning on page 126 of this Red Herring Prospectus
Warehouse 1	Asian Tube Godown Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.
Warehouse 2	Balaji Rice Mill Godown, Kothe Sampuran Singh wala, Bishnandi Road, Jaitu, Punjab 151202.
you, your or yours	Prospective investors in this Issue

ISSUE RELATED TERMS:

Term	Description
Acknowledgement Slip	The acknowledgement slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Bidders
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
ASBA / Application Supported by Blocked Amount	An application for subscribing to the Issue, along with an authorization to self-certified syndicate bank to block the application money in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, (with or without UPI ID, as applicable) whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Banker(s) to the Issue/Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being **ICICI Bank Limited .**
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on December 06, 2021 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/ Banker to the Issue / Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled "*Issue Procedure*" beginning on page 193 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.

Term	Description
Bid cum Application form	The ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the offer document which will be considered as an application for Allotment.
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard,, all edition of the Hindi national newspaper Business Standard, and regional edition of the Punjabi newspaper being Regional newspaper Daily Nawan Zaman,Punjabi being the regional language of Punjab, where our Registered Office is located, each with wide circulation each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard , and regional edition of the Punjabi newspaper being Regional newspaper Daily Nawan Zaman, Punjabi being the regional language of Punjab, where our Registered Office is located, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, 2018, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker provided that Retail Individual Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the website of the National Stock Exchange of India Limited (www.nseindia.com)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.

Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
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.
Controlling Branch/Designated Branch of SCSBs	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, MICR code and bank account details and UPI ID wherever applicable.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the Collection Banks transfer funds from the public offer accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts including the accounts linked with UPI, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the issue.
Designated Intermediary (ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and non-institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated December 13,2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares Issueed herein on the basis of the terms thereof.
EMERGE Platform of NSE/ SME Exchange	The EMERGE Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issueed under Chapter IX of the SEBI (ICDR) Regulations

Term	Description
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document	The general information document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 notified by SEBI and included in "*Issue Procedure*" on page 193. The General Information Document shall be available on the websites of the Stock Exchange and the BRLM
Issue Agreement	The agreement dated April 28, 2021 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Offer Document. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue being ₹ [●] lakhs, for further details please refer chapter title *"Objects of the Issue*" beginning on page 78 of this Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Issue/ Initial Public Offering/ IPO	The Public Issue of Upto 28,84,000 Equity Shares of face value ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs.
Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pentagon Stock brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 1,48,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of Rs [●] per Equity Share aggregating ₹ [●] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated December 06, 2021 entered amongst our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
National Payments Corporation of India (NPCI)	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 27,36,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] by our Company.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 78 of this Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India

Term	Description
NSE	National Stock Exchange of India Limited
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply 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 FIIs and FPIs.
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/ applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least two Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and regional edition of the Punjabi newspaper being Regional newspaper Daily Nawan Zaman, Punjabi being the regional language of Punjab, where our Registered Office is located, each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the ROC after the Pricing Date in accordance with Section 26 and Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Banker to the Issue i.e. ICICI bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The Red Herring Prospectus dated December 24, 2021 to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the ROC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the ROC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI bank Limited

Term	Description
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of NSE, and the UPI Circulars
Registered Brokers	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchange, through which investors can buy or sell securities listed on stock exchange, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue being Link Intime India Private Limited situated at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Registrar Agreement	The agreement dated December 06, 2021 entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI ICDR Regulations, 2018.
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Investors / RIIs	Individual Bidders (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2,00,000 in this Issue.
Revision Form	The Form used by Bidders to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s).
RIBs	Retail Individual Bidders
SCSB/ Self Certified Syndicate Bankers	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and vide SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 . The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SME Exchange	EMERGE Platform of National Stock Exchange of India Limited
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the issue registered with SEBI which is appointed by issuer to act as conduit between the Stock Exchanges and NPCI (National in order to push the mandate collect request and /or payment

Term	Description
	instructions of the retail investors into the UPI, the sponsor bank in this case being ICICI Bak Limited.
Syndicate or Members of the Syndicate	Collectively, the BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated December 06, 2021entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pentagon Stock Brokers Private Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated December 06, 2021 entered into between the Underwriter and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and vide SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment syst em developed by the National Payments Corporation of India (NPCI).
UPI ID Linked bank account	Account of the RIIs, bidding in the Issue using the UPI mechanism, which will be blocked upon acceptance of UPI Mandate request by RIIs to the extent of the appropriate Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism using UPI that may be used by an RII to make a Bid in the Issue in accordance with SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI Mandate Request	Mandate request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Red Herring Prospectus are open for business 1. However, in respect of announcement of price band and bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Red Herring Prospectus are open for business 2. In respect to the time period between the bid/ Issue closing date and the listing of the specified securities on the stock exchanges, working

Term	Description
	day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

INDUSTRY RELATED TERMS/ ABBREVIATIONS

Term	Description
ADB	Asian Development Bank
BCG	Boston Consulting Group
BSM	Buyer-Seller Meets
BSNL	Bharat Sanchar Nigam Limited
CAGR	Compound Annual Growth Rate
CAI	Cotton Association of India
CFPI	Consumer Food Price Index
CoE	Centres of Excellence
COVID-19	Coronavirus disease 2019
CPI	Consumer Price Index
CRISIL	Credit Rating Information Services of India Limited
CSCM	Centrally Sponsored and Centrally Managed
DPIIT	Department of Promotion of Industry and Internal Trade
EMC	Electronics Manufacturing Clusters
EPC	Engineering Procurement Construction
FCL	Food Corporation of India
FDI	Foreign Direct Investment
FOREX	Burgeoning Foreign Exchange
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IBBF	India Brand Equity Foundation
IBC	Insolvency and Bankruptcy Code
ICEA	Indian Cellular and Electronics Association
IIP	Index of Industrial Production
IMF	International Monetary Fund
ITI	Industrial Training Institutes
IWDP	Integrated Wool Development Programme
JBIC	Japan Bank for International Cooperation
MEIS	Merchandise Exports from India
MMF	Man-made fibres
MOSPI	Ministry of Statistics and Programme Implementation
MoU	Memorandum of Understanding
MSME's	Micro, Small and Medium enterprises
MSP	Minimum Support price
NBFC	Non-Banking Financial Companies
NDB	New Development Bank
NIP	National Infrastructure Pipeline
NPE	National Policy on Electronics
NSIC	National Small Industries Corporation

Term	Description
PE-VC	Private Equity–Venture Capital
PLI	Production-Linked Incentives
PMI	Purchasing Managers' Index
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PPP	Public-Private Partnership
PPP	Purchasing Power Parity
PSA	Pressure Swing Adsorption
PSPCL	Punjab State Power Corporation Limited
PAICL	Punjab Agro Industries Corporation Limited
PPCB	Punjab Pollution Control Board
RBI	Reserve Bank of India
SBI	State Bank of India
TEXPROCIL	Cotton Textile Export Promotion Council
TUFS	Technology Up-gradation Fund Scheme
UNCTD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
WEO	World Economic Outlook
WSL	Wilson Solar Limited

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Associate	A person who is an associate of the issuer and as defined under the Companies Act, 2013
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
Bn	Billion
BRLM	Book Running Lead Manager
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CC	Cash Credit
CCI	The Competition Commission of India
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer

Term	Description
CGST	Central GST
CIN	Corporate Identification Number
Cm	Centimetre
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified Sections
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CS	Company Secretary
CSR	Corporate Social Responsibility
CEO	Chief Executive Officer
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity Number
DTC	Direct Tax Code, 2013
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
EBITDA Margin	EBITDA divided by revenue from operations (net).
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPA	The Environment Protection Act, 1986
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
ER Act	The Equal Remuneration Act, 1976
ESI Act	The Employees' State Insurance Act, 1948
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.
FEMA 2000	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions

Term	Description
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
Ft	Foot
FTP	Foreign Trade Policy
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GOI/ Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
ID Act	The Industrial Disputes Act, 1947
IE Act	The Indian Easements Act, 1882
IEM	Industrial Entrepreneurs Memorandum
IFSC	Indian Financial System Code
IGST	Integrated GST
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
KMP	Key Managerial Personnel
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MSME	Micro, Small and Medium Enterprise
MWA	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India

Term	Description
MoU	Memorandum of Understanding
MICR	Magnetic Ink Character Recognition
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MoA	Memorandum of Association
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
PIL	Public Interest Litigation
POB Act	Payment of Bonus Act, 1965
Public Liability Act/PLI Act	The Public Liability Insurance Act, 1991
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
R&D	Research & Development
Registration Act	The Indian Registration Act, 1908
RoC	Registrar of Companies
RoNW	Return on Net Worth
ROE	Return on Equity
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SHWW/SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SGST	State GST
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchanges	National Stock Exchange of India Limited
STT	.Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
UPI	Unified payments interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/ U.S. / USA/United States	United States of America
USD / US$ / $	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
Wages Act	Payment of Wages Act, 1936
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
WCA	The Workmen's Compensation Act, 1923
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations, means a person who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI.
YoY	Year over year

Notwithstanding the following: -

i. In the section titled "*Main Provisions of the Articles of Association"* beginning on page 214 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;

ii. In the section titled "*Financial Statements*" beginning on page 144 of thisRed Herring Prospectus, defined terms shall have the meaning given to such terms in that section;

iii. In the section titled "*Risk Factors*" beginning on page 28 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;

iv. In the chapter titled *"Statement of Possible Tax Benefits"* beginning on page 88 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and

v. In the chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 147 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

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PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" are to the Republic of India and all references to the "Government" are to the Government of India.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year. Further, unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

FINANCIAL DATA

Unless stated otherwise or the context otherwise requires, the financial data in this Red Herring Prospectus is derived from the restated financial statements of our Company as at and for the three months ended June 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising (i) the restated balance sheet as at and for the three months ended June 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, (ii) the restated summary statements of profit and loss and the restated summary statement of cash flows for the three months ended June 30, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, and (iii) notes thereto prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information on our Company's financial information, see "Financial Information" beginning on page 144. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS, Ind AS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in *"Risk Factors"*, *"Our Business"*, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled "*Financial Statements"* beginning on page 144 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to "Rupees" or "Rs." or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S. $"or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to EUR' or '€' are to Euro, the official currency of the European Union.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion / bn./ Billions' means 'one hundred crores'.

EXCHANGE RATES

This Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of USD into Indian Rupees for the periods indicated are provided below:

Exchange Rate as on*				
Currency	**March 28, 2018**[1]	**March 29, 2019**[2]	**March 31, 2020**	**June 30, 2021**
1 USD	*65.04*	*69.17*	*75.39*	*74.37*
1 EUR	*80.62*	*77.70*	*83.05*	*88.10*

Source: RBI / Financial Benchmark India Private Limited
(1) Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, being a Saturday, and March 30, 2018 and March 29, 2018 being public holidays.
(2) Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday, and a Saturday, respectively.

INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available information, Industry Sources, Industry publications and Government Publications.

Industry Sources, Industry Publications and Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors"* beginning on page 28 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "Basis for Issue Price" beginning on page 85 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Manager or any of their affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

Further, the extent to which the industry and market data presented in this Red Herring 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors" beginning on page 28 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations 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 the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, 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;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 28 and 147 respectively of this Red Herring 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 future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter nor 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. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – OFFER DOCUMENT SUMMARY

OVERVIEW OF INDUSTRY

India Cotton Industry Outlook 2017-2030, has been prepared based on an in-depth industry analysis from industry experts. The report covers the competitive landscape and current position of major players in the India cotton industry space. The report also includes Porter's five force model, SWOT analysis, company profiling, business strategies of industry players and their business models. "India Cotton Industry Report" also recognizes value chain analysis to understand the cost differentiation, pricing models to provide a competitive advantage to the existing and new entry players.

Global economic growth exhibited signs of sluggishness in FY 20 driven by weakness in a few emerging economies resulting in slower global manufacturing and trade. The concerns around Brexit and the continuing trade war between United States and China provided additional stimulus to already dampening global Macro-economic conditions. The International Monetary Fund (IMF), in its World Economic Outlook, April 2020, calculated a global economic growth of 2.9% in CY2019, a significant fall from 3.6% in CY2018. Following the outbreak of COVID-19, global economy charted an unprecedented curve, multiplexed by uncertainties. Most of the economies across the world have been severely impacted due to restriction of movement, crippling trade, and businesses. Potential disruptions in developed economies with imposition of tariffs, embargoes, and other trade restrictions or controls and high volatility of commodity prices including oil and metals can further hamper the near-term outlook. IMF projects the global growth rate to shrink by 3% in CY2020.

For further details please see the chapter titled "Our Industry" beginning on page 91 of this RHP.

OVERVIEW OF BUSINESS

We are primarily engaged in manufacturing of cotton yarn, knitted fabric, cottonseed oil and oilcakes. Our Company commenced its business in 1997 with a cotton ginning plant with cotton bales and cotton seeds being our initial products. Thereafter in the year 2000, we installed a crushing unit to extract oil from cotton and mustard seeds and expanded our product basket with the addition of cotton seed oil, mustard oil and oil cake. In the year 2011, we ventured in manufacturing cotton yarn by setting up a spinning plant. In the year 2014 we installed a knitting machine and thus forayed into manufacturing of knitted fabric. With our expansion over the years under the guidance of our manage ment, we have been able to generate revenue from operations of ₹ 11,536.49 lakhs lakhs during the fiscal 2021.

We have one manufacturing facility which is located at, Jaitu (Dist Faridkot), Punjab. As on date of the RHP, we have an installed 18,000 spindles for manufacturing cotton yarn, 441 mt p.a. for knitted fabric and 6,750 mt p.a. for seed oil/oilcake. Over the years, we have made investments in our manufacturing infrastructure to support our product portfolio requirements and reach.

We are supplying our products domestically. Our domestic revenue from operations for the Three months period ended June 30, 2021 and for the financial years ended March 31, 2021, 2020 and 2019 were 100.00%, 100.00%, 100.00% and 97.81% respectively of our total revenue from operations. As on date of the RHP, our majority customers are being situated at Punjab and Haryana. As on June 30 2021, we have 2 warehouses and 1 Shop cun godown to manage our supply chain operations.

For, further details regarding risk involved in Business of the Company and risk in relation to the Issue, refer to chapter titled "*Risk Factor*" and "*Our Business*" beginning on page 28 and 103 of this Red Herring Prospectus.

DETAILS OF THE ISSUE

Issue of upto 28,84,000 Equity Shares of face value of ₹ 10/- each fully paid up for cash at a price of ₹ [●]/- per Equity share aggregating ₹ [●] lakhs. The Issue less market maker reservation portion i.e. Net Issue of up to 27, 36,000 equity shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share, aggregating ₹ [●] lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 28.02 % and 26.58 % respectively of the post Issue paid up equity share capital of our company.

The issue comprises a reservation of 1,48,000 Equity Shares of ₹ 10/- each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount (Rs. In Lakhs)
1.	Funding the working capital requirements of our Company	775.00
2.	General corporate purposes[(1)]	[●]

[(1)] To be finalised on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue. For further details, see "Objects of the Issue" beginning on page 78 of the RHP.

PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group members are collectively holding 35,93,340 Equity shares of our Company aggregating to 48.50% of the pre-issue paid-up share capital of our Company. Following are the details of shareholding of Promoters and Promoter group members:

Sr. No.	Name of Shareholder	Pre-issue	
		No of Equity Shares	% of Pre-issue Capital
(I)	(II)	(III)	(IV)
	Promoter		
1.	Deepak Garg	30,77,100	41.53%
2.	Pooja Garg	3,45,000	4.66%
	Subtotal (A)	**34,22,100**	**46.19%**
	Promoter Group		
3.	Manoharlal Garg	21,240	0.29%
4.	Seema Garg	1,50,000	2.02%
	Subtotal (B)	**1,71,240**	**2.31%**
	Total (A+B)	**35,93,340**	**48.50%**

SUMMARY OF FINANCIAL INFORMATION

Following are details as per the Restated Financial Statements for the stub period ended on June 30, 2021 and financial years ended on March 31, 2021, 2020 and 2019:

(₹ in lakhs)

Particulars	June 30, 2021*	March 31, 2021	March 31, 2020	March 31, 2019
Share Capital	760.42	266.54	266.54	266.54
Net Worth	2522.47	2183.09	1795.11	1721.45
Total Revenue	3053.49	11556.78	9428.11	12106.13
Profit after tax	332.22	387.82	75.77	133.02
Basic & Diluted Earnings per share (in ₹) as per denomination ₹ 10/- per share	4.48	5.24	1.02	1.80
Net asset value per share (in ₹) as per denomination ₹ 10/- per share	34.05	29.47	24.23	23.24
Total borrowings (as per balance sheet)	3876.24	3608.47	2911.01	3393.18

**Not annualised for June 30, 2021*

AUDITOR QUALIFICATIONS

There are no Auditor qualifications which require adjustments and have not been given effect to in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters, Directors and Group Company are currently involved in certain litigations which are currently pending at various stages, the details of the same are summarised in the table set forth below:

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate amount involved (₹ in lakhs)
By the Company	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	**04**	**01**	**5.03**
By the Promoter	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	**03**	Nil	**28.31**
By the Directors	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil
By Group Companies	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil
By the Subsidiaries	NA	NA	NA	NA	NA
Against the Subsidiaries	NA	NA	NA	NA	NA

For further details in relation to legal proceedings involving our Company, Group Companies, Promoters and Directors, refer chapter titled "*Outstanding Litigation and Material Developments*" on page 169 of this Red Herring Prospectus.

RISK FACTORS

Please see the chapter "Risk factors" beginning on page 28 this Red Herring Prospectus..

SUMMARY OF CONTINGENT LIABILITIES, COMMITMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth our contingent liabilities as of As at June30, 2021 and for the Financial year 2020-21 as per Restated Financial Statement: *(₹ In Lakhs)*

Particulars	As at June 30, 2021	For the Financial Year ended as on March 31, 2021
Capital Commitments	2,016.65	31.40
Guarantees	1.54	1.54
Total.	**2,018.19**	**32.94**

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above pending resolutions of the respective proceedings. For further details, refer chapter titled *"Financial Statements"* beginning on page 144 of this Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related parties transaction of the Company for the period ended on June 30, 2021 and financial years ended on March 31, 2021, 2020 and 2019 : (₹ in Lakhs)

Particulars		For the year ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Nature of Relation				
i) Equity contributions Received					
Ni	N.A.	Nil	Nil	Nil	Nil
ii) Interest debited during the period					
A B Cottex Pvt. Ltd.	Group Company	0.79	0.47	-	-
Deepak Garg	Director	0.08	1.15	0.44	-
Seema Garg	Director's Relative	-	-	-	3.00
Shimla Devi	Director's Relative	-	2.53	1.55	1.33
Manohar Lal	Director	0.01	3.45	0.37	2.61
Pooja Garg	Director's Relative	-	5.41	2.90	3.63
Ramesh Kumar	Director	-	-	-	0.81
Deepak Garg HUF	Director's Relative	-	4.46	3.79	3.14
Muskaan Garg	Director's Relative	-	3.32	3.17	1.04
Dia Garg	Director's Relative	-	-	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	1.02
ii) Directors remuneration					
Deepak Garg	Director	3.00	13.20	7.80	9.00
Ramesh Kumar	Director	0.99	4.80	4.25	3.52
Manohar Lal	Director	1.20	3.72	3.60	-
Niti Rajan Bansal	Chief Financial Officer	2.40	1.30	1.30	-
Pallavi Pathaniya	Company Secretary (imemployemntupto 17thApril2021)	0.11	0.78	0.78	-
Kannu Sharma	Company Secretary	0.55	-	-	-
iii) Salary					
Pooja Garg	Director's Relative	1.50	6.00	6.45	3.00
iv) Godown Rent					
Pooja Garg	Director's Relative	1.20	2.00	1.50	1.20
v) Unsecured Loan Taken					
A B Cottex Pvt. Ltd.	Group Company	87.00	79.75	-	-
Deepak Garg	Director	10.28	10.09	38.15	38.38
Seema Garg	Director's Relative	24.00	-	-	15.00
Shimla Devi	Director's Relative	18.00	2.00	30.40	10.00
Manohar Lal	Director	1.00	0.40	32.10	16.00

Particulars		For the year ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Pooja garg	Director's Relative	40.11	44.50	49.10	29.75
Ramesh Kumar	Director	4.50	-	-	7.50
Deepak Garg HUF	Director's Relative	-	9.95	3.00	3.67
Muskaan Garg	Director's Relative	-	0.25	5.30	22.00
Dia Garg	Director's Relative	7.50	0.30	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	-
vi) Unsecured Loan Principal Repaid-					
A B Cottex Pvt. Ltd.	Group Company	89.25	-	-	-
Deepak Garg	Director	3.00	22.64	25.60	106.37
Seema Garg	Director's Relative	24.00	-	5.31	49.80
Shimla Devi	Director's Relative	18.00	23.13	20.52	4.75
Manohar Lal	Director	-	31.15	1.35	51.00
Pooja Garg	Director's Relative	40.11	78.53	35.62	34.20
Ramesh Kumar	Director	4.50	-	7.40	1.93
Deepak Garg HUF	Director's Relative	-	34.60	2.68	-
Muskaan Garg	Director's Relative	-	25.55	2.00	-
Dia Garg	Director's Relative	7.50	0.30	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	23.74
vii) Unsecured Loan Interest Repaid-					
A B Cottex Pvt. Ltd.	GroupCompany	0.43	-	-	-
Deepak Garg	Director	-	1.45	-	2.73
Seema Garg	Director's Relative	-	-	-	6.32
Shimla Devi	Director's Relative	-	5.14	-	-
Manohar Lal	Director	-	3.52	-	3.25
Pooja Garg	Director's Relative	-	13.07	-	-
Ramesh Kumar	Director	-	-	0.82	-
Deepak Garg HUF	Director's Relative	-	12.58	-	-
Muskaan Garg	Director's Relative	-	7.28	-	-
Dia Garg	Director's Relative	-	-	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	4.36

For further details of the same refer the Note 31 under Chapter titled "Financial Statements" beginning on page 144 of this Red Herring Prospectus.

DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the Promoters, member of Promoter Group, the Directors of our Company and their relatives have 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 filing of this Red Herring Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES ACQUIRED BY EACH OF OUR PROMOTERS

The details of the weighted average price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of this RHP	Average Cost of Acquisition (in ₹)
Deepak Garg	23,57,400	1.48
Pooja Garg	2,85,000	13.51

**As certified by CA Bhisham Garg , Chartered Accountants pursuant to their certificate dated May 31,2021.*

AVERAGE COST OF ACQUISITION OF SHARES

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

Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition (in ₹)
Deepak Garg	30,77,100	12.80
Pooja Garg	3,45,000	12.90

** As certified by CA Bhisham Garg , Chartered Accountants pursuant to their certificate dated May 31,2021*

DETAILS OF PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Red Herring Prospectus till the listing of the Equity Shares.

EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Except as mentioned below, we have not issued any Equity Shares for consideration other than cash during last one year from the date of this Red Herring Prospectus:

Date of Allotment	No. of Equity shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reasons for allotment	Benefits accrued to company
May 17, 2021	49,38,800	10	Not applicable	Bonus Issue	Capitalisation of Reserves

For further details please refer the chapter titled "Capital Structure" beginning on page 63 of this Red Herring Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken any split or consolidation of Equity Shares during the last one year from the date of this Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 103, 91 and 147, respectively of, as well as the financial and other information contained in, this Red Herring Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 21.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2019, 2020 and 2021 and the Three months ended June 30, 2021 included in this Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Internal Risk Factors
Risks Relating to our Business

1. ***Our Company and its Promoters are involved in certain litigations viz civil and tax proceedings which are currently pending at various stages. Any adverse decision in these proceedings may render us liable to various penalties and/or monetary compensation and may adversely affect our business and results of operations.***

There are outstanding legal proceedings involving our Company and our Promoter which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and Promoter. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. Certain details of such outstanding legal proceedings as of date of this Red Herring Prospectus are set out below:

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings	Aggregate amount involved (₹ in lakhs)
By the Company	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	**04**	**01**	**5.03**
By the Promoter	Nil	Nil	Nil	Nil	Nil

*N.A. = Not Applicable.

Against the Promoter	Nil	Nil	**03**	Nil	**28.31**
By the Directors	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil
By Group Companies	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil
By the Subsidiaries	NA	NA	NA	NA	NA
Against the Subsidiaries	NA	NA	NA	NA	NA

Further, there is no assurance that in future, we, our promoters, our directors or promoter group companies may not face legal proceedings and any adverse decision in such legal proceedings may impact our business. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries, kindly refer the chapter titled "Outstanding Litigation and Material Developments" on page 169 of this Red Herring Prospectus.

2. ***Our Company has not complied with certain statutory provisions under various acts. Such non-compliances/lapses may attract penalties.***

Our Company has not complied with certain statutory provisions such as the following:

- As required under the Accounting Standard, our company has failed to provide Provision for Gratuity valuation. However, the Provision for Gratuity valuation is given in the restated financials.
- Non Compliance of provisions of Section 73 of Companies Act 2013 with respect to availment of unsecured loans from persons other than the directors, relatives of directors and members of the Company during the past resulting into money being considered as Deposit under section 73 of the Companies Act, 2013. However as on date of this Red Herring Prospectus, the Company is in Compliance with section 73 of Companies Act 2013.
- The turnover increased to ₹100 crores in the FY 2015-16, 2016-17, 2017-18 and 2018-19 – however following non compliances were made:
    a. The Company did not Constitute Audit Committee – as per Section 177 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014, and Remuneration committee – as per Section 178 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014.
    b. Appointment of Independent Directors – as per section 149 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (for Our Company appointed only one Independent Director for the period 19-12-2016 to 27-07-2018.
- Our Company failed to file MGT-14 for adoption of approval of accounts for the FY – 2015-16, 2016-17, and 2017-18.
- Our Company filed the a wrong resolution instead of the correct one to authorize payment of remuneration/commission to non-executive directors where it was inadvertently mentioned as 'Non-Executive Directors' instead of the 'Executive Directors' for Manohar Lal Garg. However as on date our Company has filed a revised MGT-14 with the ROC/MCA for submitting the final Special Resolution passed by the members of the Company in their Extra Ordinary General Meeting held on 25th August 2020, wherein members approval was accorded after deleting the word 'non-executive' and inserting word 'executive'.

Further, Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956 some of which have not been done within the stipulated time period. Except as mentioned in this RHP, till date, there has been no

amount of penalty levied on the Company for such delays/defaults apart from the additional fees that the company paid on late filings.Further no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

3. ***We deal in different kind of products and our product mix may vary across fiscal depending upon demand from customers.***

As on the date of the RHP, we manufacture cotton yarn, knitted fabric and cottonseed oil,mustradseed oil/cake. We also deal in cotton seed, cotton waste, cotton, oil gad. For details of revenue from different products, please refer "Note 20 - Revenue From Operations" in the financial statement beginning on page 144 of the RHP. Though our major sales has been from cotton yarn across different products, our revenue from other products has varied over periods, depending upon demand from customers. Since our products are majorly produced from raw cotton, cotton and can be used at different levels of manufacturing process, we cannot guarantee a similar product mix over different periods. We manufacture and deal in accordance with demand and margins such product offers, and hence prospect investors may not be able to analyse our future product mix depending upon past trends.

4. ***Our top ten customers contributed 77.70% and 68.15% of our total revenue from operations for the three months period ended June 30,2021 and for the year ended March 31, 2021. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top ten customers contributed 77.70% and 68.15% of our total revenue from operations for the three months period ended June 30,2021 and for the year ended March 31, 2021. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good and long term relationships with our customers, however, there can be no assurance that we will continue to have such long term relationship with them. Also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

5. ***Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations.***

The principal raw material used in our manufacturing process is raw cotton (narma), cotton and mustard seeds. The costs of raw materials consumed for the period ended June 30,2021 and for the fiscal 2021, 2020, and 2019 was 56.01%, 69.41%, 76.78%, and 59.23% respectively of our total revenue from operations. Cotton is an agriculture product and its supply and quality are subject to the forces of nature. Any shortage or interruption in the domestic supply could result in increased costs and impact our operations. We procure our annual requirement of raw cotton majorly during the cotton season. While we generally pass on the cost increases to our customers, we may not be able to pass on every instance of increase in input cost and may have to pursue internal cost control measures. If we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows. Further fall in cotton prices may result in a fall in the prices of cotton yarn also. We are hence exposed to the risk of variation in cotton prices and the resultant variation in cotton yarn prices.

We source our raw materials requirement indigenously. We do not have long term agreements with any of our raw material supplier and we purchase such raw materials and inputs on spot order basis. Our top 10 suppliers for the period ended June 30,2021 have contributed 95.47 % and for the year ended March 31, 2021, March 31, 2020 and March 2019 have contributed 50.40%, 31.70% and 25.39% respectively, of our total purchases. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, farmers' unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

6. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

7. ***We have limited records of documents relating to corporate actions undertaken by our Company and we do not have statutory filings in relation to certain disclosures made in this RHP. Some of our corporate records including forms filed with the Registrar of Companies are not traceable due to loss of these documents in transit while changing the registered office of the Company from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India on December 28, 2017. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

On December 28, 2017 the company changed the registered office from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India and certain documents including corporate records, were lost in transit. Accordingly, we have been unable to trace complete set of documents since incorporation till 2014, pertaining to corporate, and other statutory records, including RoC filings, bank statements, share transfer forms, share certificates etc . Our Company filed a report with the local police on June 2, 2021 and also accorded the same in Board minutes on June 3, 2021. Further our Company had appointed a practicing company secretary to undertake a physical search of the documents at the office of the RoC. Certain documents were available at the office of the RoC as certified by DR ASSOCIATES, Company Secretaries.

Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Due to change in methods of record keeping on account of technological advancement and computerisation over the years, and loss of these documents in transit on changing of registered office of the Company from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India on December 28, 2017 , certain forms filed with ROC like Incorporation Form, Return of Allotment, Increase in Authorised Capital, Appointment of Directors, etc., could not be traced by our Company. We are also unable to trace bank statements of the Company, Promoters and certain transfer forms inter alia mentioned below:

1) Copies of the offer letters and acceptance letters in relation to the rights issue on December 31, 2010 and December 10, 2021 to certain allottees.
2) Form no. 18 filled and MOA & AOA are not traceable which were filed at the time of Incorporation.
3) Form no. 1 along with other incorporation forms filed at the time of incorporation
4) Form 5 of the company for the increase of authorised share capital from ₹ 50,00,000 to ₹ 75,00,000
5) Form 2, resolutions and list of allottees for the the allotment of 70,17,000 Equity shares on 27.09.1997
6) Share Transfer forms and share certificates since Incorporation of the company to FY 2013-14.
7) No physical forms were available since incorporation till 2006 except as mentioned in the Search report certified by the Practicing Company Secretary of the Company DR ASSOCIATES, Company Secretaries and management representation letter.
8)Bank statements of the promoters since incorporation to FY 2013-14.
9) Employee Provident Fund Organization Certificate not traceable

Certain disclosures in this Red Herring Prospectus in relation to such untraceable records have been made in reliance on other supporting documents available in our records, Physical search report made at the ROC-Chandigarh and certified by our practicing company secretary, including the resolutions passed/noting made by the Board or Shareholders in their meetings, or documents annexed to the filings/ clarifications sent to the relevant regulatory authorities highlighting the true and accurate position, Management explanations/Representations. We cannot assure you that the relevant corporate records will become available in the future, that the discrepancies in filings will be rectified, that regulatory proceedings or actions will not be initiated against us in the future, or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also our Company may not be in a position to attend to and / or

respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

8. ***The outbreak of COVID-19, or outbreak of any other similar severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding COVID-19 and distribution of vaccine is in initial stages in our country. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts.

If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty.

It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact COVID-19 may have on our results and financial condition, but we cannot assure that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further if the any new lockdown is imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

Management Perception: Our manufacturing operations were shut down only for 2-3 days and we were not majorly impacted as our Company primarily caters to domestic demand and not exports. Further we did not face shortage of labour also as we have labour quarters adjacent to our facility wherein many of our permanent labour resides.

9. ***We generate our major portion of sales from our operations in certain geographical regions especially Punjab and Haryana. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

For the three months period ended June 30,2021 and for the year ended March 31, 2021 our revenue from our customers situated in Punjab and Haryana contributed to 97.96% and 94.08% of our total revenue from operations as per our Restated Financial Statements. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us.

Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

10. ***The industry in which we operate is labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Textiles industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. We have also employed contract labour at our manufacturing facilities. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

11. ***Our manufacturing facility is critical to our business operations and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing facility is located at Punjab. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties.

If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

Further, continuous addition of industries in and around our manufacturing facility without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business. Further, the spiraling cost of living around our manufacturing facility may push our manpower costs higher, which may reduce our margin and cost competitiveness.

12. ***The shortage or non-availability of power and fuel facilities may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition.***

Our manufacturing process requires substantial amount of power and fuel facilities. Power and fuel cost accounts for a significant percentage of our cost of operations. For the three months ended June 30, 2021 and for the Fiscals 2021, 2020 & 2019, our power and fuel expenses were 6.98% ,7.13% 8.32%, and 7.13% respectively of our total revenue from operations. We source the power requirements for our manufacturing facility mainly from state electricity boards. The quantum and nature of power and fuel requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high. However we have recently set up a solar plant of 1 MW to reduce our electricity costs and dependency. To battle electricity failures, we also have diesel generators to meet exigencies at our main facility, however, we cannot assure you that our facilities will be operational during power failures. Any

disruption / non availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

13. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.***

For the three months periods ended June 30,2021 and for Fiscals 2021, 2020 and 2019 and our capital expenditures, reflected in our financial statements as additions/adjustments to property, plant and equipment were 98.94 lakhs, ₹542.53 lakhs , ₹ 93.29 lakhs and ₹ 52.68 lakhs lakhs respectively. The actual amount and timing of our future capital requirements may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes, additional market developments and new opportunities in the textiles industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the shareholding of existing shareholders.

Further we require a significant amount of working capital for our operations. A significant amount of our working capital is required to finance the purchase of materials before payment is received from our customers. Further we also maintain inventory levels as per industry standards. Our trade receivables are generally non-interest bearing and are generally on credit terms up to 20-40 days. Our working capital requirements may increase if the payment terms in our agreements with our customers or purchase orders include reduced advance payments or longer payment schedules, or if our there is delayed realisation from our customers. These factors may result in increase in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have a material adverse effect on our financial condition, results of operations and cash flows.

14. ***The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions***

We compete in textiles industry on the basis of the quality of our products, price, and customer satisfaction. The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian textiles industry as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

15. ***Our future growth can be restricted by our limited manufacturing capacity.***

Our manufacturing facility is located at Jaitu, Punjab. This facility enables us to produce yarn, fabric and oil/oilcake. As on date of this RHP, we have machineries such as spindles and knitting fabric machine, which is running close to its installed capacity. For the period ended June 30, 2021 and for the fiscal 2021, our yarn production capacity was utilised at 94.91% and 95.62% of total installed capacity and knitting fabric production capacity was utilised at 15.87% and 80.05% of total installed capacity respectively. For details of our installed and actual capacities, please refer the chapter titled "Our Business" beginning on page 103 of the RHP. If we are unable to expand our manufacturing capacity in our facilities, we may not be able to tap growth opportunities in the textile market. However our management believes that we have sufficient area which can be utilized for installing additional capacity and our Company can increase the manufacturing capacity by buying new machineries as and when required. Also to expand our operations, we have already taken initiatives and bought additional land adjacent to our facility.

16. ***Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand

and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based past experience, on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of product to our customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory at our manufacturing facility and warehouses. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

17. ***Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

    We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or delay in procurement of raw material or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

    In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at June 30, 2021 our trade receivables was 1261.68 lakhs. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

18. ***Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.***

    We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “Financial Indebtedness” beginning on page 166 of this RHP.

19. ***We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

We have not entered into any long term or definitive agreements with our customers, and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

20. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at our manufacturing facility may adversely affect our production schedules, costs, sales and ability to meet customer demand.

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facility and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facility. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

21. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business.

Our Company is yet to apply for the following approvals:

1. Our Company has purchased an agricultural land at Jaitu, Dist. Faridkot vide Khasra Nos. 325/14/2, 1020, 519/21/2/2, 372/10/2 for future expansion of the manufacturing unit. We are yet to apply for Conversion of the said agricultural Land into non-agricultural land to the concerned district authority.
2. In addition to the conversion of the land for the above mentioned agricultural land, our Company has to yet apply for Consent to Establish from Punjab Pollution Control Board under section 25 of Water (Prevention and Control of Pollution) Act, 1974 and under section 21 of Air (Prevention and Control of Pollution) Act, 1981.
3. We have to yet apply for the following material licenses/approvals with regards to the land purchased at Jaitu Dist., Faridkot vide Khasra No. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2, 325/14/2, 1020, 519/21/2/2, 372/10/2 :-
   (i) Approvals required under Punjab Factories Rules, 1952
   (ii) Consent from Punjab Pollution Control Board under Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

(iii) Consent to Operate from Punjab Pollution Control Board under section 25 of Water (Prevention and Control of Pollution) Act, 1974 and under section 21 of Air (Prevention and Control of Pollution) Act, 1981

(iv) Environmental Clearances from Competent Authority, as applicable

(v) NOC issued by the Fire Department

Our Company has regularly been contributing to the Employee Provident Fund Organization since inception, however the Employee Provident Fund Organization Certificate in name of the Company is not traceable by our Company.

The registered office of our Company is situated in the area where the Employees State Insurance Corporation is not applicable.

The Company has not applied for renewal of Star House Certificate because Our Company's export performance does not meet the eligibility criteria required to apply for the Certificate for the current period. The eligibility criteria states that the current financial year's export turnover plus the previous three financial years' export turnover must be USD 3 million for one star house certificate. Hence, it is not applicable to our Company.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

For more information, see chapter "Government and Other Statutory Approvals" on page 172 of this Red Herring Prospectus.

22. We do not own the land on which our registered office and warehouses are located.

We do not own the land on which our registered office and warehouses are located. These warehouses are are taken on lease by us from third parties for a certain period and the registered office is taken on rent from one of our Promoter Pooja Garg. For details, please refer chapter titled "Our Business" beginning on page 103 of the RHP. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our registered office and godowns/warehouses to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

23. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(₹ in lakhs)

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from / (used in) Operating Activities	208.13	(1.17)	699.12	1,011.32

Cash Flow from Investing Activities	**(412.25)**	**(495.71)**	**(88.53)**	**(49.99)**
Net Cash Flow from Financing Activities	**198.36**	**497.43**	**(668.07)**	**(1,081.43)**

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

24. Our Company is dependent on third party transportation providers, with whom we have no formal arrangements, for the delivery of our raw materials and finished goods and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect our Company's reputation and results of operations.

We rely on third parties logistic service providers, with whom we have no formal arrangement, to provide rail, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products to our customers. Such logistics providers are arranged on spot basis and in certain cases may not be insured for the full value of the load that they are carrying. These transportation facilities may not be adequate to support our existing and future operations and there may be disruptions of transportation and logistics services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and seaport facilities. Though we own 3 trucks (canters) and five tractor-trolley, we primarily use third-party logistic providers for all of our product distribution and input materials procurement. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs and results of our operations. Any disruption of any of our transportation routes or facilities may adversely affect our business, financial condition, results of operations and cash flows.

25. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

Our contingent liabilities and capital commitments as on June 30, 2021 are as under: *(₹ In Lakhs)*

Particulars	**As at June 30, 2021**
Capital Commitments	2016.65
Guarantees	1.54
Total	**2018.19**

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled "Financial Statements, as restated" on page 144 of this RHP.

26. Failure or disruption of our IT systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have implemented various information technology ("IT") systems to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, inventory maintenance, manufacturing processes, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. While the business resource planning systems that we have implemented have enabled us to improve our working capital cycles, despite an increase in our sales over the period, we can provide no assurance that we will be able to do so in the future.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, at our manufacturing facility and registered office. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage our creditors, debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

27. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.***

Our growth strategies requires us to develop and strengthen relationships with existing customers for our business who may drive high volume orders on an ongoing basis. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products;
- our ability to increase our manufacturing capacities;
- our ability to increase our geographic presence and explore international presence;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. While we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategies to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategies could have a material adverse effect on our business, financial condition and profitability.

28. ***An inability to address changing industry standards and consumer trends may adversely affect our business, results of operations and financial condition.***

The future success of our business will depend in part on our ability to respond to technological advances, consumer preferences and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, adopt enhanced technologies and processes for the development of new products, we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our customers, dealers and end customers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition.

29. ***If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

30. ***We have issued Equity Shares during the preceding one year at a price that is below the Offer Price***.

Other than bonus issue of 49,38,800 Equity Shares on May 17, 2021, we have not issued Equity Shares in the last 12 months at a price that is lower than the Offer Price.

The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the preceding 12 months or that will prevail in the open market following listing of the Equity Shares. For details, see "Capital Structure" beginning on page 63 of this RHP.

31. ***Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.***

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste (Management, Handling and Transboundary Movement)Rules, 2008
- Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Punjab.

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

32. ***Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amounts outstanding and payable by us as secured loans were ₹ 3814.85 lakhs as on June 30, 2021. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information, please refer chapter titled "Financial Indebtedness" on page 166 of this RHP.

33. ***Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.***

We have entered into agreements for short term and long term borrowings with certain lenders. As on June 30,2021 an aggregate of ₹ 2,799.35 as working capital facilities and ₹1,015.50 lakhs as term loans was outstanding towards loans availed from banks and financial institutions. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by our Promoters and members of Promoter Group. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets, etc. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and/or cancels / suspends / reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected. As on the date of the RHP, we have received NOC for the Issue from our lenders.

34. ***Unsecured loans taken by our Company can be recalled by the lenders at any time.***

As on June 30,2021 our Company has unsecured loans amounting to ₹ 409.63 lakhs from related and other parties that are repayable on demand to the relevant lender. These loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, our Company may be required to repay the entirety of the unsecured loans together with accrued interest. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay

unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer the chapter titled "Financial Statements as Restated" beginning on page 144 of this RHP.

35. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our manufacturing facility for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

36. ***We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Further, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

37. ***Reliance has been placed on declarations and affidavits furnished by certain of our Directors for details of their profiles included in this Red Herring Prospectus***

Our Managing Director, Mr. Deepak Garg, has been unable to trace copies of certain documents pertaining to his Experiences and our Whole-time Director Mr. Manohar lal and Non-executive Director, Mr Ramesh Kumar have been unable to trace copies of certain documents pertaining to their educational qualifications and Experience. While the aforementioned Directors have taken the requisite steps to obtain the relevant supporting documentation, including by making written requests and applications to their respective educational institutions, they have been unsuccessful in procuring the relevant supporting documentation. Accordingly, the Book Running Lead Manager and us have placed reliance on declarations, undertakings and affidavits furnished by these Directors to disclose details of their educational qualifications and Experiences in this Red Herring Prospectus and we have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that such Directors will be able to trace the relevant documents pertaining to their educational qualifications and experience in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications and experience of certain of our Directors included in "Our Management" on page 126 are complete, true and accurate.

38. ***Information relating to the installed manufacturing capacity of our manufacturing facility included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our facility included in this Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by our statutory auditor in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of cotton and textiles industry after examining the equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see "Our Business - Capacity and Capacity Utilization" on page 109. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and

presented by other cotton & textiles companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Red Herring Prospectus.

39. ***Our Promoters and members of the Promoter Group have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters and members of the Promoter Group have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

40. ***Our Promoters have interests in our Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.***

Our Promoters, Directors and KMP may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares held by them, their relatives, dividend or bonus entitlement, benefits arising from their directorship in our Company, and to the extent of sitting fee payable to them for attending each of our Board and Committee meetings. Further, our Promoter Mr. Deepak Garg is also shareholder and Director on the board of one our promoter group Company Viz. AB Cotton Textiles Private Limited and he may be deemed to be interested to the extent of the payments made by our Company, if any, to/from this promoter group Company. Further the registered office of our company is on rent from one of the Promoter , Ms. Pooja Garg, hence she may be deemed to be interested to the extent of the payments made by our Company, if any, to/from her. They have had related party transactions with the Company. Accordingly, they may also said to be interested to the extent of such transactions Therefore, some of the above interests may conflict with the duties of these persons as Promoters / Directors of the Company. For further details, please see the chapters titled "Our Management" and "Our Promoters and Promoter Group" beginning on pages 126 and 137 respectively of this RHP.

41. ***Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others: (i) insurance policy covering fire, damage to buildings, plant and machinery, accessories and stocks; (ii) Burglary insurance policy; (iii) Electronic equipment insurance policy; (iv) Machinery insurance policy; (v) Vehicle insurance policy; (vi) Workmen's compensation policy; and (vii) Marine export import open insurance policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

42. ***AB Cotton Textiles Private Limited, our Group Company has objects similar to that of our Company's business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations***.

One of our Promoter Group Companies, AB Cotton Textiles Private Limited has some of the objects similar to that of our Company's business and could offer products that are related to the business of our Company. As on the date of the RHP, the said Group Company is engaged in activities to establish, purchase, sell, taken on lease or otherwise, acquire and work any Textile Mill, Handlooms, Power Looms, Cotton Ginning and processing factory, Spinning Mills, Weaving Mills, Rice Mill, Oil Mill, Solvent Plant, waste plant, process for pressing merchandise into bale process, buy, sell, import, export, pledge, speculate, enter into forward transactions or otherwise deal in Cotton, Kapas, Cotton seed oil, Paddy, Oil seed, Jute, Flex, Hemp, Silk agricultural produce, and products made thereof. Although as on date of this Red Herring Prospectus, the aforesaid entity is not carrying any business competing with that of our Company, in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other companies in which our Promoter has interest. There can be no assurance that our Promoters or

our Promoter Group Company or members of the 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 reputation, business, results of operations and financial condition.

43. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into various transactions with our Promoter, Promoter Group, Directors and their relatives. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter *"Related Party Transactions"* in the financial statements beginning on page 144 of the Red Herring Prospectus.

44. Industry information included in this Red Herring Prospectus has been derived from industry reports of listed players of our industry. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party of various listed players of our industry for purposes of inclusion of such information in this Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

45. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 78 of this RHP.

46. 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, under some of our loan agreements, we may not be permitted to declare any dividends, 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. For details of our dividend history, see "Dividend Policy" on page 143 of this RHP.

47. ***Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to use Net Proceeds raised pursuant to the Issue in the manner set out in the section titled "Objects of the Issue" on page 78. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, 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. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

48. ***Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 78 of this Red Herring Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use the Net Proceeds for the purposes described in "Objects of the Issue" beginning on page 78. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as the continuing impact of the COVID-19 pandemic, interest or exchange rate fluctuations, increase in input costs, labour costs, logistics and transport costs, taxes and duties, regulatory costs, environmental factors and other external factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

Further the deployment of the Net Proceeds will be at the discretion of our Board. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 78 of this Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Further in accordance with section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide 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.

49. ***The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

50. ***Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

51. Certain of our Promoters may not have adequate experience in the business activities undertaken by our Company.

One of our Promoter namely, Pooja Garg, may not have adequate experience in the business activities undertaken by our Company. For details, see "Our Promoters and Promoter Group" beginning on page 137. The business of our Company is managed by our other Promoter Deepak Garg. Our Company cannot assure you that the lack of such adequate prior experience of certain of our Promoters in our business will not have any adverse impact on the management and/ or operations of the Company

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 48.50% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to influence 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 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 Promoters 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 minority 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.

53. 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 cause 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.

54. 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.

Issue Specific Risks

55. 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 has been determined by book building method. The price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 85of this RHP 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;

- results of operations that vary from those of our competitors;
- speculation in the press or investment community;
- new laws and governmental regulations applicable to our industry;
- future sales of the Equity Shares by our shareholders;
- general market conditions; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

56. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters' in our Company and built-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "Capital Structure" on page 63 of this RHP.

57. Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Issue. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLMs through the Book Building Process. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

58. Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.

The Equity Shares would be quoted in Rupees on the Emerge Platform of NSE Limited. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

59. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized in excess of ₹ 1,00,000/- on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

60. 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 favourable 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.

61. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

62. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

63. There is no guarantee that our Equity Shares will be listed on the Emerge Platform of NSE Limited in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the Emerge Platform of NSE Limited within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

64. The requirements of being a listed company may strain our resources.

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and limited reviewed half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire

additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

External Risk Factors

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

66. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

67. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign ratings have recently been downgraded. For instance, our credit rating was downgraded by Moody's from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook and by Fitch from BBB- with a "stable" outlook to BBB- with a "negative" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

68. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition. Hostilities, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural or man-made disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may rinequire us to evacuate personnel and suspend operations. Any

terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

69. ***Significant differences exist between Indian GAAP and IND AS, on one hand, and other accounting principles, such as U.S. GAAP and IFRS, on the other hand, which may be material to investors' assessments of our financial condition.***

Our restated financial statements for the period between April 1, 2021 to June 30, 2021 as well as for the years ended Financial Years 2021, 2020 and 2019 have been prepared in accordance with the Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the restated financial statements included in this Red Herring 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 this Red Herring Prospectus should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

70. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, financial condition and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, The Finance Act, 2020 ("Finance Act"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("DDT"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, effective from July 1, 2020, has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

71. ***Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. All our Company's Directors and officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors

to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

72. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

73. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

SECTION IV – INTRODUCTION

SUMMARY OF FINANCIAL STATEMENTS

Sr. No.	Details	Page No.
1	Summary of Restated Financial Statements	A-1 to A-3

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A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED BALANCE SHEET

S. No.	Particulars	Note No.	As at 30th June 2021	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
						Proforma
			Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
	ASSETS					
I	**NON-CURRENT ASSETS**					
	(a) Property, Plant and Equipment	2	2,503.29	2,484.55	2,212.79	2,410.43
	(b) Capital work-in-progress	2A	69.42	-	-	-
	(c) Other Intangible Assets	2B	-	-	-	-
	(d) Deferred Tax Assets (Net)	3	-	-	-	-
	(e) Financial Assets		-	-	-	-
	(i) Investments	4	1.31	1.17	0.81	0.87
	(ii) Other Financial Assets	5	111.84	111.75	103.88	37.37
	(f) Other Non Current assets	6	235.46	6.14	-	-
	TOTAL NON CURRENT ASSETS		**2,921.32**	**2,603.61**	**2,317.48**	**2,448.66**
II	**CURRENT ASSETS**					
	(a) Inventories	7	2,815.84	2,824.59	1,893.19	1,920.50
	(a) Financial Assets					
	(i) Trade receivables	8	1,261.68	724.09	900.10	942.31
	(ii) Cash and Cash Equivalents	9	0.93	6.70	6.15	63.64
	(iii) Bank Balances Other than Cash and Cash Equivalents	9A	1.90	1.89	1.78	3.53
	(iv) Loans	10	-	-	-	-
	(v) Other Financial Assets		-	-	-	-
	(c) Other Current Assets	11	182.62	208.78	157.48	126.20
	TOTAL CURRENT ASSETS		**4,262.97**	**3,766.05**	**2,958.69**	**3,056.18**
	TOTAL ASSETS (I+II)		**7,184.29**	**6,369.66**	**5,276.18**	**5,504.84**
	EQUITY AND LIABILITIES					
	EQUITY					
	(a) Equity Share Capital	12	760.42	266.54	266.54	266.54
	(b) Other Equity	13	1,762.05	1,916.55	1,528.57	1,454.91
III	**Total Equity**		**2,522.47**	**2,183.09**	**1,795.11**	**1,721.45**
	LIABILITIES					
IV	**NON-CURRENT LIABILITIES**					
	(a) Financial Liabilities					
	(i) Borrowings	14	1,076.89	1,324.06	712.47	1,115.43
	(ia) Lease Liabilities					
	(ii) Other Financial Liabilities					
	(b) Other Non-Current Liabilities		-	-	-	-
	(c) Provisions	19	45.80	50.16	33.70	18.06
	(d) Deferred Tax Liabilities (Net)	3	113.58	124.42	79.40	65.69
	TOTAL NON- CURRENT LIABILITIES		**1,236.27**	**1,498.64**	**825.57**	**1,199.18**
V	**CURRENT LIABILITIES**					
	(a) Financial Liabilities					
	(i) Borrowings	15	2,799.35	2,284.41	2,198.54	2,277.75
	(ia) Lease Liabilities					
	(ii) Trade Payables	16				
	Dues to micro and small enterprises		17.94	-	-	-
	Dues to others		59.81	62.00	317.29	84.87
	(ii) Other Financial Liabilities	17	6.31	6.29	3.46	0.17
	(b) Other Current Liabilities	18	394.16	282.88	134.62	203.33
	(c) Provisions	19	147.99	52.35	1.59	18.09
	TOTAL CURRENT LIABILITIES		**3,425.55**	**2,687.93**	**2,655.49**	**2,584.21**
	TOTAL EQUITY AND LIABILITIES (III+IV+V)		**7,184.29**	**6,369.66**	**5,276.18**	**5,504.84**
	Significant Accounting Policies	1	-	-	-	-
	The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of Capitalisation					2- 42

As per our examination report of even date attached.
For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

Shiv K. Jindal
Partner
Membership No. 090090
UDIN:

Place :
Date :

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
Chief Financial Officer
PAN: AHTPB2201Q

Kannu Sharma
Company Secretary
PAN: LGPPS1148K

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED STATEMENT OF PROFIT AND LOSS

Sr. No.	Particulars	Note No.	For the three months period ended 30th June 2021	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
						Proforma
			Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
	INCOME					
I	Revenue From Operations	20	**3,049.74**	**11,536.49**	**9,411.44**	**12,094.50**
II	Other Income	21	3.75	20.28	16.67	11.63
III	**Total Revenue (I+II)**		**3,053.49**	**11,556.78**	**9,428.11**	**12,106.13**
IV	**EXPENSES**					
	Cost of Material Consumed	22	1,708.09	8,007.91	7,226.20	7,163.15
	Changes in Inventory	23	196.43	321.40	(422.42)	734.09
	Purchase of Stock in Trade		-	320.97	308.02	1,613.15
	Employees Benefit Expenses	24	183.68	606.33	531.35	499.74
	Finance Costs	25	69.92	212.33	191.62	279.18
	Depreciation and Amortisation Expenses	26	80.19	270.78	283.92	314.29
	Other Expenses	27	387.71	1,269.41	1,201.58	1,323.29
	Total Expenses (IV)		**2,626.03**	**11,009.11**	**9,320.27**	**11,926.89**
V	**Profit/(Loss) Before Exceptional Items Tax (III-IV)**		**427.46**	**547.66**	**107.84**	**179.24**
VI	Exceptional Items		-	-	-	-
VII	**Profit/(Loss) Before Tax (V-VI)**		**427.46**	**547.66**	**107.84**	**179.24**
VIII	**Tax expenses:**	28				
	Current Tax		108.49	154.97	41.90	61.10
	Deferred Tax		(13.25)	4.87	(9.84)	(14.88)
	Total Tax Expenses		**95.24**	**159.84**	**32.06**	**46.22**
IX	**Profit/(Loss) for the period (VII-VIII)**		**332.22**	**387.82**	**75.77**	**133.02**
X	**Other Comprehensive Income**					
	:-Items that will not be re-classified to profit and Loss					
	Net (Loss)/Gain on Fair Value of FVOCI of		0.14	0.53	(0.06)	(0.13)
	Income Tax Effect thereon		(0.04)	(0.15)	0.02	0.04
	Re-measurement (Loss)/ Gain on defined Benefit Plans		9.43	(0.32)	(2.86)	1.55
	Income Tax Effect thereon		(2.37)	0.09	0.80	(0.43)
XI	**Total Other Comprehensive Income**		**7.16**	**0.15**	**(2.11)**	**1.02**
XII	**Total Comprehensive Income for the Year (IX+X)**		**339.38**	**387.97**	**73.67**	**134.04**
XIII	**Earnings per equity share (Par value ₹ 10/- each)* (For continuing operation)**	29				
	Restated Basic		4.48	5.24	1.02	1.80
	Restated Diluted		4.48	5.24	1.02	1.80
	Significant Accounting Policies	1				
	The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of Capitalisation					2- 42

* Basic and Diluted Earnings per share for the period of three months ended on 30th June 2021 is not annualised.

As per our examination report of even date attached.

For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

Shiv K. Jindal
Partner
Membership No. 090090
UDIN

Place :
Date :

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
Chief Financial Officer
PAN: AHTPB2201Q

Kannu Sharma
Company Secretary
PAN: LGPPS1148K

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED CASH FLOW STATEMENT

	Particulars	For the three months period ended 30th June 2021	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
					Proforma
		Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
A	**CASH FLOW FROM OPEARTING ACTIVITIES**				
	Net Profit before tax	427.46	547.66	107.84	179.24
	Add:				
	Depreciation/Amortisation	80.19	270.78	283.92	314.29
	Provision for Gratuity	5.09	16.68	12.89	10.28
	Interest Expenses	69.42	202.87	189.18	273.65
	Loss (Profit) on sale of Fixed Assets/ Long Term Investments	-	(0.05)	2.25	(0.88)
	Less:				
	Operating (loss)/profit before Working Capital Changes	**582.16**	**1,037.94**	**596.07**	**776.57**
	Movements in working capital :-				
	(Increase)/ Decrease in Inventories	8.76	(931.41)	27.32	876.99
	(Increase)/ Decrease in Trade Receivables	(537.59)	176.01	42.22	(203.57)
	(Increase)/ Decrease in Other than Cash Bank Balances	(0.01)	(0.11)	1.75	6.85
	(Increase)/ Decrease in Other Receivables	26.16	(51.30)	(31.28)	9.09
	Increase/ (Decrease) in Trade Payables	31.81	(304.90)	232.43	(363.98)
	Increase/ (Decrease) in Other Current Liabilities	111.28	148.26	(68.71)	(51.66)
	Operating (loss)/profit after Working Capital Changes	**222.56**	**74.49**	**799.79**	**1,050.29**
	(Increase)/ Decrease in Non- Current Security Deposits	(0.09)	(7.87)	(66.51)	-
	(Increase)/ Decrease in Non- Current Prepaid Expenses	(1.48)	(3.14)	-	-
	Refund/(Payment) of Taxes (including TDS)	(12.87)	(64.65)	(34.16)	(38.97)
	Cash Generated from Operations	**208.13**	**(1.17)**	**699.12**	**1,011.32**
	Net Cash Flow from Operating Activities (A)	**208.13**	**(1.17)**	**699.12**	**1,011.32**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Sale of Property, Plant and Equipment	-	-	4.76	2.69
	Sale of Long Term Investments	-	0.23	-	-
	Amount spent on Capital WIP	(69.42)	-	-	-
	Purchase of Long Term Investments	-	-	-	-
	Capital Advances against Purchase of Fixed Assets	(227.84)	(3.00)	-	-
	Purchase of Fixed Assets	(114.99)	(492.93)	(93.29)	(52.68)
C	**Net Cash Flow from Investing Activities (B)**	**(412.25)**	**(495.71)**	**(88.53)**	**(49.99)**
	CASH FLOW FROM FINANCING ACTIVITIES				
	Add: Allotment of Shares (in Cash)	-	-	-	-
	Increase/(Decrease) of Long Term loan and borrowings	(247.15)	614.42	(399.67)	(695.80)
	Increase/(Decrease) of Short Term loan and borrowings	514.93	85.88	(79.22)	(111.98)
	Interest on Debentures and Loans Paid	(69.42)	(202.87)	(189.18)	(273.65)
	Net Cash Flow from Financing Activities ('C)	**198.36**	**497.43**	**(668.07)**	**(1,081.43)**
	Net Increase in Cash and Cash Equivalents(A+B+C)	**(5.77)**	**0.55**	**(57.49)**	**(120.09)**
	Cash and Cash Equivalents (Opening Balance)	6.70	6.15	63.64	183.72
	Cash and Cash Equivalents (Closing Balance)	**0.93**	**6.70**	**6.15**	**63.64**
	Cash and cash equivalents consist of Balance with Bank.	**0.93**	**6.70**	**6.15**	**63.64**

Notes: Indirect Method has been used for the preparation of Cash Flow Statement.

The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of

As per our examination report of even date attached.

For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Shiv K. Jindal
(Partner)
Membership No. 090090
UDIN:

Place :
Date :

Deepak Garg
Managing Director
DIN: 00843929

Niti Rajan Bansal
(Chief Financial Officer)
(PAN: AHTPB2201Q)

Manohar Lal
Director
DIN: 02406686

Kannu Sharma
(Company Secretary)
(PAN: LGPPS1148K)

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company[(1)]	Issue of upto 28,84,000* Equity Shares of face value of ₹ 10/- each fully paid up for cash at a price of ₹ [●]/- per Equity share aggregating ₹ [●] lakhs[(2)]
***Consisting of*:**	
Market Maker Reservation Portion	Upto 1,48,000 Equity Shares of face value of ₹ 10/- each fully paid up of the Company for cash at a price of ₹ [●] /- per Equity share aggregating ₹ [●] lakhs.
Net Issue to the Public	Up to 27,36,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company for cash at a price of ₹ [●] /- per share aggregating ₹ [●] lakhs.
Of Which	
A. QIB Portion[(3) (4)]	No shares shall be reserved for allocation to QIBs. **
B. Retail Portion[(3) (4)]	13,68,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company at a cash price of ₹ [●]/- per Equity share aggregating ₹ [●] lakhs will be available for allocation to Investors applying with application value of up to ₹ 2.00 lakhs
C. Non-Institutional Portion[(3) (4)]	13,68,000 Equity Shares of face value of ₹ 10/- each fully paid of the Company for cash at price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs will be available for allocation to Investors applying with application value of above ₹ 2.00 lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	74,08,200 Equity Shares of face value of ₹ 10/- each.
Equity Shares outstanding after the Issue	Upto 102,92,200 Equity Shares of face value of ₹ 10/- each.
Utilization of proceeds of this Issue	For details please refer chapter titled "*Objects of the Issue"* beginning on page 78 of this Red Herring Prospectus for information on use of Issue Proceeds.

**Number of shares may need to be adjusted for lot size upon determination of issue price.*
***There are no equity shares reserved for allocation to QIB Portion. However, QIBs can apply in the Non-Institutional Portion.*

Notes:-

1) The 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 April 1, 2021 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on April 26, 2021.

The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, wherein not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs. Further not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see "Issue Procedure" beginning on page 193 of this Red Herring Prospectus.

2) In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Subject to valid Bids being spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

For further details please refer to section titled *'Issue Information'* beginning on page 184 of this Red Herring Prospectus.

GENERAL INFORMATION

REGISTERED OFFICE OF OUR COMPANY

AB Cotspin India Limited
176, Homeland Enclave,
Bathinda, Punjab – 151001
Tel: +91 01642970169
Email: investors@abcotspin.in
Website: www.abcotspin.com
CIN: U17111PB1997PLC020118

MANUFACTURING UNIT OF OUR COMPANY

AB Cotspin India Limited
Bathinda Road, Jaitu, Distt: Faridkot
Punjab- 151202, India
Tel: +91 01635513604/01635-232671
Email: investors@abcotspin.in
Website: www.abcotspin.com
CIN: U17111PB1997PLC020118

REGISTRAR OF COMPANIES

Registrar of Companies, Punjab and Chandigarh,
1st Floor, Corporate Bhawan,
Plot No. 4-B, Sector 27-B,
Chandigarh - 160019
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited
Exchange Plaza, C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051,
Maharashtra, India.
Website: www.nseindia.com

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Red Herring Prospectus:

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1.	Deepak Garg	45	00843929	107, Homeland Enclave, Goniana Road, Bathinda, Punjab 151001.	Managing Director
2.	Manohar Lal	77	02406686	107, Goniana Road, Homeland Enclave, Bathinda, Punjab 151001	Whole Time Director
3.	Ramesh Kumar	57	07684009	681 C 2, Wadi Wali Gali, Ward No. 47, Amrik Singh Road, Bathinda, Punjab, 151005	Non-Executive Director
4.	Preet Kamal Kaur Bhatia	39	07070977	152, Golden Avenue, Near Har Krishan Public School, Amritsar Punjab 143001	Independent Director

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
5.	Puneet Bhandari	39	03625316	Flat No.-10, First Floor Tower-3, Homeland Heights, Opposite Sohana Gurudwara, Sector -70. S.A.S. Nagar (Mohali), Punjab 160071	Independent Director

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page 126 of this Red Herring Prospectus.

CHIEF FINANCIAL OFFICER

Niti Rajan Bansal
AB Cotspin India Limited
176, Homeland Enclave,
Bathinda, Punjab – 151001.
Tel: +91 01635513604
Email: nitirajan@abcotspin.in
Website: www.abcotspin.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Kannu Sharma
AB Cotspin India Limited
176, Homeland Enclave,
Bathinda, Punjab – 151001.
Tel: +91 01635513604
Email: cs@abcotspin.in
Website: www.abcotspin.com

Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode. For all the issue related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager or the Registrar in the following manner:

All Issue related grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs bidding through the UPI Mechanism.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

STATUTORY AUDITOR

M/s. Shiv Jindal & Co.
Chartered Accountants
H. No. 137, 1st floor, Veer Colony, Amrik Singh Road,
Bhatinda-151001

Tel: 0164-2255937
Email: shivkjindal@yahoo.com
Contact Person: Shiv K Jindal
Website: N.A.
Firm Registration No.: 011316N
Membership No.: 090090
Peer Review No.: 012530

M/s. Shiv Jindal & Co., Chartered Accountants holds a peer review certificate dated September 24, 2021 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai 400051, Maharashtra, India
Tel: +91 22 6194 6700
Fax: + 91 22 2659 8690
Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Jigar Jain
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra, India.
Tel: 022-49186200
Fax: 022-49186195
Email: abcotspin.ipo@linkintime.co.in
Investor Grievance ID: abcotspin.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

LEGAL ADVISOR TO THE ISSUE

M V KINI, LAW FIRM
Kini House, Near Citi Bank, D.N. Road,
Fort, Mumbai - 400001, Maharashtra, India
Tel: +91 22 6666 6577/78/79
Fax: +91 22 22612531
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

HDFC Bank Limited
Address-89/1, Civil Lines,Liberty Chowk, Guru Kasha Marg,
Tel: 9463002009
Fax: NA
E-mail: harish.jindal@hdfcbank.com
Contact Person: Harsih Jindal, Relationship manager

PUBLIC ISSUE BANK/ BANKER TO THE ISSUE AND REFUND BANKER & SPONSOR BANK

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai – 400020
Tel: 022- 66818911/23/24

Fax: 022- 22611138
E-mail: sagar.welekar@icicibank.com
Contact Person: Sagar Welekar
Website: www.icicibank.com
SEBI Registration Number: INBI00000004

SYNDICATE MEMBER

Pentagon Stock Brokers Private Limited (formerly known as Pantomath Stock Brokers Private Limited)
Address: 108, Madhava Premises,
Behind Family Court,
Bandra Kurla Complex,
Bandra East, Mumbai 400051
Tel: +91 22 42577000
Email: subhash.vishwakarma@pentagonbroking.com
Website: www.pantomathbroking.com
Contact Person: Subhash Vishwakarma
SEBI Registration Number: INZ000068338

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

Investors Banks or Issuer Bank for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provided on the website of SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. 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) on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

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.

APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 Lakhs. Since the issue size is only of ₹ [●] lakhs, our Company has not appointed any monitoring agency for this issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue. Further, our Company has not appointed any appraisal agency for this issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not applicable.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the financial years ended March 31, 2021, 2020 and 2019 and for the period ended June 30, 2021 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

FILING OF OFFER DOCUMENT

The Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Red Herring Prospectus shall also be furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in. A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies situated at Office 1st Floor, Corporate Bhawan, Plot No. 4- B, Sector 27- B, Chandigarh – 160019.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper,Business Standard all editions of a widely circulated Hindi Newspaper, Business Standard and Daily Nawan Zamana Punjabi edition of widely circulated Punjabi regional Newspaper, Punjabi being the regional language of Punjab, where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange Limited and eligible to act as Underwriters;
- The Registrar to the Issue
- The Escrow Collection Banks/ Bankers to the Issue;
- The Sponsor Bank(s);
- The Designated Intermediaries

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

For further details on the method and procedure for Bidding, see "Issue Structure" and "Issue Procedure" on pages 191 and 193, respectively.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in this Issue.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the issue) Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20.00 to ₹ 24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The Issuer in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled *"Issue Procedure"* on page 193 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

BID / ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date	Thursday, December 30, 2021
Bid/Issue Closing Date	Monday, January 3, 2022
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Thursday, January 6,2022
Initiation of Refunds / Unblocking of ASBA accounts	On or before Friday, January 7,2022
Credit of Equity Shares to Demat Accounts of Allottees	On or before Monday January 10,2022
Commencement of trading of the Equity Shares on the Stock Exchange	On or before, Tuesday January 11,2022

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 the Stock Exchange are taken within 6 Working Days of the Issue 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.

Bids 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 Bids 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 Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated December 06, 2021 and pursuant to the terms of the underwriting agreement; obligations of the underwriter is subject to certain conditions specified therein. The underwriter have indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rupees in Lakhs)	% of the Total issue size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East) ,Mumbai 400051, Maharashtra, India **Tel:** +91 22 6194 6700 **Fax:** + 91 22 2659 8690 **Email:** ipo@pantomathgroup.com **Website**: www.pantomathgroup.com **Contact Person: Jigar Jain** **SEBI Registration Number**: INM000012110	Upto 28,84,000	[●]	100
Total	**Upto 28,84,000**	[●]	**100**

**Includes 1,48,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

The abovementioned underwriting commitments are intentionally left blank and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

Except as mentioned below there has been no change in the Auditors during last three financial years preceding the date of this Red Herring Prospectus.

Sr. No.	Name of Auditors	Date of Appointment/Resignation	Reasons
1.	M/s. Raj Narain & Co. 6808, Street No. 9/1, Namdev Nagar Bathinda, Punjab - 151001 **Email:** rajnarainco@yahoo.com **Firm Registration Number:** 021188N **Peer Review Number:** NA	July 01, 2017	Resignation due to Pre-Occupation
2.	M/s. Shiv Jindal & Co. 137, Veer Colony, Amrik Singh Road, Bathinda, Punjab -151001 **Email:** shivkjindal@yahoo.com **Firm Registration Number:** 011316N **Peer Review Number:** 012530	July 10, 2017	Appointment to fill Casual Vacancy
3	M/s. Shiv Jindal & Co. 137, Veer Colony, Amrik Singh Road, Bathinda, Punjab -151001 **Email:** shivkjindal@yahoo.com **Firm Registration Number:** 011316N **Peer Review Number:** 012530	December 31, 2020	Reappointment upon expiry of term

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into an agreement dated December 06, 2021, with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making.

Pentagon Stock Brokers Private Limited (formerly known as Pantomath Stock Brokers Private Limited)
Address: 108, Madhava Premises,
Behind Family Court,Bandra Kurla Complex,
Bandra East, Mumbai 400051
Tel: +91 22 42577000
Email: subhash.vishwakarma@pentagonbroking.com
Website: www.pantomathbroking.com
Contact Person: Subhash Vishwakarma
SEBI Registration Number: INZ000068338

Pentagon Stock Brokers Private Limited , registered with EMERGE platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter 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. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange from time to time and the same shall be updated in Prospectus. 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 prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. 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 Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect

to the selling broker. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●]/- until the same, would be revised by National Stock Exchange of India Limited.

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 1,48,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% 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, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
7. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pentagon Stock Brokers Private Limited is acting as the sole Market Maker.
8. 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. The securities of the company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the Stock Exchange.
9. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
10. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer 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 following spread will be applicable on the SME Exchange Platform.

No.	Market Price Slab (In ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100s	6
4	Above 100	5

11. 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.
12. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

    In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) 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. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particulars 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.

13. National Stock Exchange of India Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

14. National Stock Exchange of India Limited 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.

15. 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:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹ 20 crore to ₹ 50 crore	20%	19%
₹ 50 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 / National Stock Exchange of India Limited from time to time.

16. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

Note: Our Company was originally incorporated on June 23, 1997. Certain forms and resolutions filed with Registrar of Companies (prior to 2006), which includes forms and resolutions for increase in authorised share capital, share capital allotment, annual returns, etc. are not traceable by our Company. Our Company on December 28, 2017 changed the registered office from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India and certain documents from incorporation till 2014 including corporate records, were lost in transit.Hence, this chapter is prepared based on ROC Search Report, data provided by the management and to the best of the information available.

Our Equity Share capital, as at the date of this Red Herring Prospectus and after the proposed Issue is set forth below:

(₹ in lakhs, except share data)

Particulars		Aggregate Value at Face Value	Aggregate Value at Issue Price*
A.	**AUTHORISED SHARE CAPITAL**		
	1,10,00,000 Equity Shares of ₹ 10/- each.	1,100.00	-
	4,00,000 Preference Shares of ₹ 10/- each	40.00	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	Issued & Subscribed 78,00,200 Equity shares of ₹ 10/- each**	780.02	-
	Paid up 74,08,200 Equity Shares of ₹ 10/- each	740.82	-
C.	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Issue of Upto 28,84,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share	Upto 288.40	[●]
	Consisting:		
	Reservation for Market Maker of Upto 1,48,000 Equity Shares	Upto 14.80	[●]
	Net Issue to Public of Upto 27,36,000 Equity Shares	Upto 273.60	[●]
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors of 13,68,000 Equity Shares	136.80	[●]
	Allocation to other than Retails Individual Investors of 13,68,000 Equity Shares	136.80	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	Upto 102,92,200 Equity Shares of ₹ 10/- each		Upto 1029.22
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		431.95#
	After the Issue		[●]

**To be included upon finalization of Issue Price*

***3,92,000 Equity Shares of face value of ₹ 10/- each allotted at a premium of ₹ 90/-, partly paid up at a price of ₹ 50-/-each equity shares and balance payable on 1st call, were forfeited by our Company on account of non-payment of calls from members whom shares were allotted on December 31, 2010. The forfeiture was pursuant to a resolution of our Board dated January 17, 2011.*

#As on June 30, 2021, the securities premium amount was ₹ 431.95 lakhs . The securities premium amount mentioned in the table above is as adjusted for the bonus issue dated May 17, 2021.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 1, 2021 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-ordinary General Meeting held on April 26 2021.

The Company has one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

Notes to Capital Structure

1. Details of change in authorised share capital since incorporation

Since the incorporation of our company, the authorised share capital of our company has been altered in the manner set forth below: -

Particulars of Change		Date of Shareholder's Meeting	AGM/EGM
Increased / Reclassified from	**Increased / Reclassified to**		
The authorized share capital of our Company on incorporation comprised of ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10/- each		On* Incorporation	-
₹ 50,00,000 consisting of 5,00,000 Equity Shares of ₹ 10/- each.	₹ 75,00,000 consisting of 7,50,000 Equity Shares of ₹ 10/- each.	September 22, 1997*	EGM
₹ 75,00,000 consisting of 7,50,000 Equity Shares of ₹ 10/- each.	₹ 3,00,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each.	March 20, 2010	EGM
₹ 3,00,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each.	₹ 3,40,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each and 4,00,000 Preference Shares of ₹ 10/- each.	July 20, 2010	EGM
₹ 3,40,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each and 4,00,000 Preference Shares of ₹ 10/- each.	₹ 5,00,00,000 consisting of 46,00,000 Equity Shares of ₹ 10/- each and 4,00,000 Preference Shares of ₹ 10/- each	June 15, 2011	EGM
₹ 5,00,00,000 consisting of 46,00,000 Equity Shares of ₹ 10/- each and 4,00,000 Preference Shares of ₹ 10/- each	₹ 11,40,00,000 consisting of 1,10,00,000 Equity Shares of ₹ 10/- each and 4,00,000 Preference Shares of ₹ 10/- each	March 31, 2021	EGM

**Our Company is unable to retrieve certain historical corporate records and filings including documents in relation to Authorised capital during incorporation and in the year 1997. On December 28, 2017 the company changed the registered office from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India and certain documents from incorporation till 2014 including corporate records, were lost in transit. The Company filed a report on 02.06.2021 with the regulatory authority and also accorded the same in Board minutes on 03.06.2021. Accordingly, the company have been unable to trace complete set of documents since incorporation till 2014 pertaining to corporate, and other statutory records, including RoC filings , bank statements share transfer forms, share certificates etc.Further during the physical search to the ROC we could not trace incorporation docments and Form 5 of the company for the increase of authorised share capital from ₹50 lakhs to ₹ 75 lakhs, however the Form 23 filed with ROC on 1st October, 1997 for increase in authorised share capital validates the data. Accordingly, the aforesaid details are based on the limited documents available with our Company and our explanations which maybe incomplete or may not be completely accurate.*

2. History of Equity Share Capital of our Company

A. The following is the history of the Equity Share Capital of our Company:

Date of Allotment	No. of Equity Shares Allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (in ₹)
At the time of incorporation	5,000	10	10.00	Cash	Subscription to MoA[(1)]	5,000	50,000
September 27, 1997#	7,01,700	10	Not available #	Cash	Further Allotment [(2)]	7,06,700	70,67,000
December 01, 2010	88,700	10	100.00	Cash	Further Allotment [(3)]	7,95,400	79,54,000
December 31, 2010	3,92,000	10	100.00	Cash	Right Issue[(4)]	11,87,400	1,18,74,000
Company has forfeited 3,92,000 equity shares of ₹ 10/- each on account of non-payment of calls from members whom shares were allotted on December 31, 2010.							
December 31, 2012	16,74,000	10	50.00	Cash	Right Issue[(5)]	24,69,400	2,46,94,000
May 17, 2021	49,38,800	10	Not Applicable	Other than Cash	Bonus Issue[(6)]	74,08,200	7,40,82,000

#Our Company is unable to retrieve certain historical corporate records and filings in relation to allotments/transfers made on September 27, 1997. Further, our Company is unable to determine the price at which equity shares were transferred to/by the Promoter and from/to whom such equity shares were transferred. During physical search at the ROC we could not trace Form 2, resolutions and list of allottees and issue price information on virtue of being approx. 20 years old data. Accordingly, the aforesaid details are based on the limited documents available with our Company and explanations received fom management , which maybe incomplete or may not be completely accurate.

(i) Initial Subscribers to Memorandum of Association subscribed 5,000 Equity Shares of face value of ₹ 10/- each fully paid on June 23, 1997, as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Manohar Lal	1,000
2.	Deepak Garg	1,000
3.	Chiman Lal Bansal	1,000
4.	Tarsen Lal Bansal	1,000
5.	Ram Dayal Garg	1,000
	Total	**5,000**

(ii) Further Allotment of 7,01,700 Equity Shares of face value of ₹ 10/- each at a price of ₹ 10/- each equity shares on September 27, 1997** as per the details given below:

Sr. No.	Name of Person**	No. of shares Allotted
1.	Manohar Lal	2,00,000
2.	Deepak Garg	1,95,700
3.	Harjas Singh	11,000
4.	Sham Lal	30,000
5.	Tarsem Chand	40,000
6.	Tej Ram	30,000
7.	Chiman Lal & Sons HUF	10,000
8.	Chiman Lal Bansal	55,000

Sr. No.	Name of Person**	No. of shares Allotted
9.	M/s Classic Enterprises	10,000
10.	Prakash Chand	10,000
11.	Pushpa Rani	14,000
12.	Sanjeev Kumar	10,000
13.	Tarsen Lal & Sons HUF	10,000
14.	Tarsen Lal Bansal	60,000
15.	Tej Ram Bansal	10,000
16.	Vijay Kumar	6,000
	Total	***7,01,700***

***Our Company is unable to retrieve certain historical corporate records and filings in relation to allotments/transfers made on September 27, 1997. Further, our Company is unable to determine the price at which equity shares were transferred to/by the Promoter and from/to whom such equity shares were transferred. During physical search at the ROC we could not trace Form 2, resolutions and list of allottees and issue price information on virtue of being approx. 20 years old data. Accordingly, the aforesaid details are based on the limited documents available with our Company and our explanations which maybe incomplete or may not be completely accurate.*

(iii) Further Allotment of 88,700 Equity Shares of face value of ₹ 10/- each fully paid at a price of ₹ 100/- each equity shares on December 01, 2010 as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Ramesh Kumar	8,280
2.	Ranjit Guradita Singh	2,000
3.	Surinder Kumar	7,800
4.	Hardev Singh	8,000
5.	Pal Singh	3,000
6.	Kirpal Singh	1,500
7.	Lakhwant Singh	5,000
8.	Ajaib Singh	3,000
9.	Anjana Rani	1,920
10.	Raj Kumar	960
11.	Pritam Vanti	1,440
12.	Ram Hans Raj Sarup	800
13.	Baldev Variam Singh	4,800
14.	Rachna Rani	1,200
15.	Gurandita Singh	3,000
16.	Kuldeep Singh	1,500
17.	Ranjit Balwinder Singh	1,500
18.	Darshan Nachattar Singh	1,500
19.	Gurchet Singh	3,000
20.	Nirmal Singh	1,500
21.	Chamkaur Singh	2,500
22.	Sukhpal Singh	3,000
23.	Lohara Singh	3,000
24.	Iqbal Singh	1,000
25.	Baldev Mohan Singh	2,500
26.	Jalour Singh	1,500
27.	Gurmail Kartar Singh	1,000
28.	Darshan Sewa Singh	3,500
29.	Sarabjeet Singh	1,000
30.	Balwinder Singh	2,000

Sr. No.	Name of Person	No. of shares Allotted
31.	Sarbjit Singh	1,500
32.	Gurpreet Singh	1,500
33.	Baldev Singh	2,000
34.	Gurmail Gurdev Singh	1,000
	Total	**88,700**

(iv) Right Issue on December 31, 2010, of 3,92,000 Equity Shares of face value of ₹ 10/- each allotted at a premium of ₹90/- , partly paid up at a price of ₹ 50-/-each equity shares and balance payable on 1st call, as per the details given below. These shares were forfeited by our Company on account of non-payment of calls from members whom shares were allotted, The forfeiture was pursuant to a resolution of our Board dated January 17, 2011 :

Sr. No.	Name of Person	No. of shares Allotted
1.	Manohar Lal	12,000
2.	Mahabali Suppliers Private Limited	40,000
3.	Lucky Tradelink Private Limited	30,000
4.	Albino Investment Consultans Private Limited	72,000
5.	Welkin Investment Consultans Private Limited	50,000
6.	Atlantic Invests Advisory Private Limited	34,000
7.	Hari Vintrade Private Limited	36,000
8.	Himalayan Investment Consultants Private Limited	36,000
9.	Everest Dealcom Private Limited	50,000
10.	Deepshika Dealers Private Limited	32,000
	Total	**3,92,000**

(v) Right Issue of 16,74,000 Equity Shares of face value of ₹ 10/- each fully paid at a price of ₹ 50/- each equity shares on December 31, 2012 as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Chand Rani	2,00,000
2.	Renu Jindal	4,56,000
3.	Umang Jindal	4,00,000
4.	Kewal Krishan Jindal	2,00,000
5.	Abhay Jindal	2,00,000
6.	Kewal Krishan HUF	80,000
7.	Hemant Jindal HUF	80,000
8.	Hemant Jindal	58,000
	Total	**16,74,000**

(vi) Bonus Issue of 49,38,800 Equity Shares in the ratio of 2:1 of face value of ₹ 10/- each fully paid held by the members of the Company except forfeited shares, on May 17, 2021 as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Manohar Lal	14,160
2.	Deepak Garg	20,51,400
3.	Pooja Garg	2,30,000
4.	Chand Rani*	3,50,000
5.	Abhay Jindal	4,60,000
6.	Seema Garg	1,00,000
7.	Suvarana Jindal	5,60,000
8.	Aakriti Garg	11,73,240
	Total	**49,38,800**

*****_Chand Rani expired on 23.07.2020 , accordingly her shares including the bonus allotment and any rights thereto were transferred to Mrs Sanya Jindal through the process of transmission as per Lt. Chand Rani registered will.._

3. We have not issued any Equity Shares for consideration other than cash except as mentioned below:

Date of Allotment *	Nature of allotment	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of consideration	Reasons for allotment	Benefits accrued to our Company
May 17, 2021	Bonus Issue	49,38,800	10	Not applicable	Other than cash	Bonus Issue	Capitalisation of Reserves

** For details of Allottees, please refer point no. 2(vi) above.*

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 391 – 394 of the Companies Act, 1956 or Section 230-234 of Companies Act, 2013.

5. Our company has not issued any shares pursuant to an Employee Stock Option Scheme.

6. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

7. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date. We have issued Bonus shares within last one year from the date of this Red Herring Prospectus for which no consideration was received. Accordingly, except as given below our Company has not issued any Equity Shares during a period of one year preceding the date of this Red Herring Prospectus which may be lower than the Offer Price

Date of Allotment	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reasons for allotment
May 17, 2021	49,38,800	10	Not Applicable	Bonus Issue

** For details of Allottees, please refer point no. 2(vi) above.*As on date of this Red Herring Prospectus, our Company has not issued preference shares and does not have any outstanding preference shares.

8. Except as mentioned below, none of the members of the Promoter group, our Promoters, the Directors of our Company and their relatives have purchased or sold Equity shares during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

Date of Allotment/ transfer	Name of the Transferor	Name of Allottee/ Transferee	Party Category	Number of Equity Shares Allotted/ Transferred	Face Value	Issue Price/ Transfer Price
May 17, 2021	Not applicable	14,160 to Manohar Lal, 20,51,400 to Deepak Garg, 2,30,000 to Pooja Garg, 1,00,000 to Seema Garg.	Promooter and promoter group	14,160 to Manohar Lal, 20,51,400 to Deepak Garg, 2,30,000 to Pooja Garg, 1,00,000 to Seema Garg.	10	Bonus issue in the ratio of 2 Equity Shares for every 1 Equity Share.

9. Build-up of Promoters' capital, Promoter's contribution and lock-in

i. Build-up of Promoters' shareholdings*:*

As on the date of this Red Herring Prospectus our Promoters Deepak Garg & Pooja Garg together holds 34, 22,100 Equity Shares, constituting 46.19 % of the issued, subscribed and paid-up Equity Share capital of our Company. The built-up of shareholding of Promoters are as follows:

a. Deepak Garg

Date of Allotment / Transfer	No. of Equity Shares	Face Value	Issue/ Acquisition Price	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
June 23, 1997	1,000	10	10.00	Subscription to MOA	0.01%	0.01%

Date of Allotment / Transfer	No. of Equity Shares	Face Value	Issue/ Acquisition Price	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
September 27, 1997#	1,95,700	10	10.00	Further Allotment	2.64%	1.90%
November 07, 2008	1,000	10	10.00	Transfer from Ram Dayal Garg	0.01%	0.01%
November 07, 2008	11,000	10	10.00	Transfer from Harjas Singh	0.15%	0.11%
November 07, 2008	40,000	10	10.00	Transfer from Tarsem Chand	0.54%	0.39%
November 07, 2008	14,000	10	10.00	Transfer from Pushpa Rani	0.19%	0.14%
November 07, 2008	61,000	10	10.00	Transfer from Tarsen Lal	0.82%	0.59%
November 07, 2008	10,000	10	10.00	Transfer from Tej Ram Bansal	0.13%	0.10%
November 07, 2008	6,000	10	10.00	Transfer from Vijay Kumar	0.08%	0.06%
February 16, 2011	(1,50,000)	10	10.00	Transfer to Hemant Jindal	-2.02%	-1.46%
February 16, 2011	(50,000)	10	10.00	Transfer to Rahul Goyal	-0.67%	-0.49%
September 02, 2014	30,000	10	10.00	Transfer from Ashok Kansal	0.40%	0.29%
September 25, 2018	1,50,000	10	68.00	Transfer from Chand Rani	2.02%	1.46%
September 06, 2019	1,00,000	10	60.00	Transfer from Chand Rani	1.35%	0.97%
September 09, 2019	1,30,000	10	60.00	Transfer from Chand Rani	1.75%	1.26%
November 15, 2019	1,30,000	10	60.00	Transfer from Chand Rani	1.75%	1.26%
December 03, 2019	40,000	10	60.00	Transfer from Chand Rani	0.54%	0.39%
August 31, 2020	1,00,000	10	Not applicable	Gift from Manohar Lal	1.35%	0.97%
December 15, 2020	50,000	10	70.00	Transfer from Renu Mittal	0.67%	0.49%
February 13, 2021	56,000	10	Not applicable	Transmission on death of Ram Sarup	0.76%	0.54%
March 22, 2021	1,00,000	10	Not applicable	Gift from Manohar Lal	1.35%	0.97%
May 17, 2021	20,51,400	10	Not applicable	Bonus Issue	27.69%	19.93%

Date of Allotment / Transfer	No. of Equity Shares	Face Value	Issue/ Acquisition Price	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
Total	**30,77,100**				**41.53%**	**29.90%**

b. Pooja Garg

Date of Allotment / Transfer	No. of Equity Shares	Face Value	Issue/ Acquisition Price	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital
November 07, 2008	10,000	10	10	Transfer from Chiman Lal & Sons HUF	0.13%	0.10%
September 02, 2014	50,000	10	10	Transfer from Piyush Kansal	0.67%	0.49%
December 15, 2020	55,000	10	70.00	Transfer from Tarun Aggarwal	0.74%	0.53%
May 17, 2021	2,30,000	10	Not applicable	Bonus Issue	3.10%	2.23%
Total	**3,45,000**				**4.66%**	**3.35%**

The transfer and lllotment before 2014 are on the basis of

i the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition All, as applicable, of such Equity Shares.

ii None of the Equity Shares held by our Promoters are pledged.

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i Details of Promoters' Contribution locked in for three years *:*

Pursuant to Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as Promoter's Contribution ("Promoters Contribution") and shall be locked-in for a period of three years from the date of Allotment of Equity Shares issued pursuant to this Issue. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting 20% of the post Issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue. The Equity Shares which are being locked in for 3 (three) years from the date of Allotment are as follows:

No. of Equity Shares Locked in*	Face Value (in ₹)	Issue/ Acquisition Price	Date of Allotment/Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	% of post-Issue paid-up capital**	Lock in period
Deepak Garg						
1,50,000	10	68	September 25, 2018	Transfer from Chand Rani	1.46%	3 Years
1,00,000	10	60	September 06, 2019	Transfer from Chand Rani	0.97%	3 Years
1,30,000	10	60	September 09, 2019	Transfer from Chand Rani	1.26%	3 Years
1,30,000	10	60	November 15, 2019	Transfer from Chand Rani	1.26%	3 Years
40,000	10	60	December 03, 2019	Transfer from Chand Rani	0.39%	3 Years
13,00,000	10	Not applicable	May 17, 2021	Bonus Issue	12.63%	3 Years
Pooja Garg						
208440	10	Not applicable	May 17, 2021	Bonus Issue	2.03%	3 Years
Total					**20.00%**	

** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

*** Subject to finalisation of Basis of Allotment.*

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' Contribution in terms of Regulation 237 of the SEBI ICDR Regulations. In this connection, we confirm the following:

i The Equity Shares Issued for minimum 20% Promoters' Contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

ii The minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Issue Price;

iii No Equity shares have been issued to our promoters upon by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;

iv The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge

v All the equity shares of our Company held by the Promoters are dematerialization

vi Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

ii. ***Details of share capital locked in for one year***

Other than the above Equity Shares that would be locked in for 3 (three) years, the entire pre-Issue capital of our Company would be locked-in for a period of 1 (one) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations.

iii. ***Other requirements in respect of lock-in***

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 242(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Further, pursuant to Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the SEBI Takeover Regulations, as applicable.

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10. ***Our Shareholding Pattern***

The table below represents the shareholding pattern of our Company:-

i. Summary of shareholding pattern as on the date of this Red Herring Prospectus:

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrant)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								Class Equity X	Class Others Y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held	No. (a)	As a % of total Shares held(b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
A	Promoter & Promoter Group	4	35,93,340	-	-	35,93,340	48.50%	35,93,340	-	35,93,340	48.50	-	-	-	-	-	-	35,93,340
B	Public	4	38,14,860	-	-	38,14,860	51.50%	38,14,860	-	38,14,860	51.50	-	-	-	-	-	-	38,14,860

C	**Non-Promoter Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	**Shares Underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	**Shares Held By Employee Trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**74,08,200**	**-**	**-**	**74,08,200**	**100.00%**	**74,08,200**	**-**	**74,08,200**	**100.00 %**	**-**	**-**	**-**	**-**	**-**	**-**	**74,08,200**

**As on the date of this Red Herring Prospectus1 Equity Shares holds 1 vote.*

*** All pre issue Equity Shares of our Company will be locked in as mentioned above prior to listing of Equity Shares on Emerge Platform of National stock Exchange of India Limited.*

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern or our Company, in the form 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 NSE before commencement of trading of such Equity Shares.

In terms of SEBI circular bearing Number Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, all the Equity Shares held by the Promoter / members of the Promoter Group are held in dematerialized prior as on the date to filing this Red Herring Prospectus.

11. Following are the details of the holding of securities of persons belonging to category "Promoter and Promoter Group":

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue*	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post - Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
Promoters					
1.	Deepak Garg	30,77,100	41.53	30,77,100	29.90%
2.	Pooja Garg	3,45,000	4.66	3,45,000	3.35%
	Sub-Total (A)	**34,22,100**	**46.19**	**34,22,100**	**33.25%**
Promoter-Group					
3.	Manohar Lal	21,240	0.29	21,240	0.21%
4.	Seema Garg	1,50,000	2.02	1,50,000	1.46%
	Sub-Total (B)	**1,71,240**	**2.31**	**1,71,240**	**1.66%**
	TOTAL (A)+(B)	**35,93,340**	**48.50**	**35,93,340**	**34.91%**

** Subject to finalisation of Basis of Allotment*

12. The list of the shareholders of the company holding 1% or more of the paid up share capital aggregating to 80% or more of the paid up share capital of the company:

a. As on the date of this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the total Pre Issue Paid-up Share Capital
1.	Deepak Garg	30,77,100	41.53%
2.	Aakriti Garg	17,59,860	23.76%
3.	Suvarna Jindal	8,40,000	11.34%
4.	Abhey Jindal	6,90,000	9.31%
5.	Sanya Jindal	5,25,000	7.09%
6.	Pooja Garg	3,45,000	4.66%
7.	Seema Garg	1,50,000	2.02%
	Total	**73,86,960**	**99.71%**

Ten days prior to the date of the Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the total Pre Issue Paid-up Share Capital
1.	Deepak Garg	30,77,100	41.53%
2.	Aakriti Garg	17,59,860	23.76%
3.	Suvarna Jindal	8,40,000	11.34%
4.	Abhey Jindal	6,90,000	9.31%
5.	Sanya Jindal	5,25,000	7.09%
6.	Pooja Garg	3,45,000	4.66%
7.	Seema Garg	1,50,000	2.02%
	Total	**73,86,960**	**99.71%**

Note: *Details as on December 14, 2021, being the date ten days prior to the date of this Red Herring Prospectus.*

b. One year prior to the date of the Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Paid-up Share Capital
1.	Manoharlal	1,29,280	5.24%

2.	Deepak Garg	7,19,700	29.14%
3.	Pooja Garg	60,000	2.43%
4.	Ram Sarup	56,000	2.27%
5.	Chand Rani*	1,75,000	7.09%
6.	Tarun Aggarwal	1,15,000	4.66%
7.	Ishwar Chand Mittal HUF	1,10,000	4.45%
8.	Renu Mittal	1,20,000	4.86%
9.	Govind Aggarwal HUF	1,10,000	4.45%
10.	Naresh Kumar HUF	1,15,000	4.66%
11.	Renu Aggarwal	1,15,000	4.66%
12.	Seema Garg	50,000	2.02%
13.	Sambhav Garg	5,86,620	23.75%
	Total	**24,61,600**	**99.68%**

**Chand Rani expired on 23.07.2020 , accordingly her shares including the bonus allotment and any rights thereto were transferred to Mrs Sanya Jindal through the process of transmission as per Lt. Chand Rani registered will..*

Note: *Details as on December 24, 2020, being the date one year prior to the date of this Red Herring Prospectus.*

c. Two years prior to the date of the Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Paid-up Share Capital
1.	Manoharlal	1,21,000	4.90%
2.	Deepak Garg	3,19,700	12.95%
3.	Pooja Garg	60,000	2.43%
4.	Ram Sarup	56,000	2.27%
5.	Chand Rani	5,75,000	23.29%
6.	Sanya Jindal	5,86,620	23.76%
7.	Tarun Aggarwal	1,15,000	4.66%
8.	Ishwar Chand Mittal HUF	1,10,000	4.45%
9.	Renu Mittal	1,20,000	4.86%
10.	Govind Aggarwal HUF	1,10,000	4.45%
11.	Naresh Kumar HUF	1,15,000	4.66%
12.	Renu Aggarwal	1,15,000	4.66%
13.	Seema Garg	50,000	2.02%
	Total	**24,53,320**	**99.36%**

Note: *Details as on ,December 24, 2019 being the date two years prior to the date of this Red Herring Prospectus.*

13. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan 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.

14. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

15. The BRLM, Syndicate Members and any persons related to the BRLM and Syndicate Members (other than Mutual Funds sponsored by entities related to the BRLM) cannot apply in the issue. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

16. There are no Equity Shares against which depository receipts have been issued.

17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring

Prospectus until the Equity Shares have been listed.Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the Offer appropriately in due compliance with the applicable statutory provisions.

18. None of the persons/entities comprising our Promoter Group, the directors of company which is our promoter or our Directors or their relatives or our Company have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

19. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transactions being completed.

20. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the issue from any person.

21. An over-subscription to the extent of 10% of the issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the issue, as a result of which, the post-issue paid up capital after the issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post issue paid-up capital is locked in.

22. As on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.

23. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.

24. As per RBI regulations, OCBs are not allowed to participate in this Issue.

25. Our Company has not raised any bridge loans against the proceeds of the Issue.

26. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

27. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

28. 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.

29. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.

30. Our Company has 8 shareholders as on the date of filing of this Red Herring Prospectus.

31. Our Promoters and the members of our Promoter Group will not participate in this Issue.

32. Our Company has not made any public issue since its incorporation.

33. For the details of transactions by our Company with our Promoter Group, Group Companies for the period ended June 30, 2021and financial years ended March 31, 2021, 2020 and 2019, please refer to paragraph titled *Details of Related Parties Transactions* as restated in the chapter titled *"Restated Financial Information*" on page 144 of this Red Herring Prospectus.

34. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "*Our Management"* beginning on page 126 of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

Requirement of Funds

The proceeds from the Issue, after deducting the Issue related expenses, is estimated to be ₹ [●] lakhs (the "**Net Proceeds**").

Our Company proposes to utilize the Net Proceeds towards funding of the following objects:

1. Funding the working capital requirements of the Company Requirement; and
2. General corporate purposes.

(Collectively, referred to herein as the "**Objects**")

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.

Additionally, 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.

Net Proceeds

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

(₹ in lakhs)

Particulars	Estimated amount[(1)]
Gross Proceeds from the Issue	[●]
(Less): Issue related expenses	[●]
Net Proceeds	[●]

[(1)]To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

Utilization of Net Proceeds

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

(₹ *in lakhs*)

Sr. No.	Particulars	Estimated amount
1.	Funding the working capital requirements of the Company	775.00
2.	General corporate purposes[(1)]	[●]

[(1)]To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Proposed schedule of implementation and deployment of Net Proceeds

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

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2021-22)	Percentage of Gross Proceeds
1	Funding the working capital requirements of the Company	775.00	775.00	[●]%
2	General corporate purposes[(1)]	[●]	[●]	[●]%

[(1)] To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

The requirement and deployment of funds as indicated above are based on our internal management estimates, prevailing market conditions and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling and revising the funding requirement for a particular object or increasing or decreasing the amounts earmarked towards any of the objects at the discretion of our management, subject to compliance with applicable law. For details, see

*"Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval" o*n page 44.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Issue; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law. Further, in case of any variations in the actual utilisation of funds earmarked towards the objects set forth above, then any increased fund requirements for a particular object may be financed by surplus funds (subject to utilisation towards general corporate purposes does not exceed 25% of the Gross Proceeds from the Issue), if any, available in respect of the other objects for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned objects, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of finance

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds, internal accruals and through existing as well as proposed debt financing. In view of above, we confirm that, with respect to the Objects, our Company has made firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue. While we have available debt financing for 75% of the funds required excluding the Net Proceeds, the expenditure already incurred and existing identified internal accruals may, at the discretion of the management be, utilize for our future internal accruals in order to reduce our financing costs.

Details of estimated means of finance for Net Proceeds are set forth below.

(*₹ in lakhs*)

Objects of the Issue	Total estimated costs[(1)]	IPO Proceeds	Internal Accruals/ Networth	Bank Borrowings
Funding the working capital requirements of our Company	3,677.83	775.00	1,577.83	1,325.00

Details of the Objects

The details of the Objects of the Issue are set out below:

1. Funding the working capital requirements of the Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions, unsecured loans and capital raising through issue of Equity Shares. As on March 31, 2020 and March 31, 2021, the amount outstanding on our Company's fund based working capital facilities was ₹ 1,994.34 lakhs ₹ 1,878.01 lakhs respectively as per Restated Financial Statements and the amount outstanding on our Company's non-fund based working capital facility was ₹ Nil and ₹ Nil respectively. As on June 30,2021 our sanctioned working capital facilities comprised fund based limit of ₹ 4,342.62 lakhs including terms Loans, GCEL and non- fund facilities of ₹ Nil lakhs. In addition to the aforementioned working capital Limited the company has got sanctioned the Term Loan of ₹ 3,700 Lakhs and Purchase Card facility in the tune of ₹ 85 lakhs from HDFC Bank. For further details, please refer to the chapter titled "Financial Indebtedness" beginning on page166 of the Red Herring Prospectus.

Basis of estimation of working capital requirement

Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements as of March 31, 2020 and March 31, 2021 are as stated below:

***Amount* (₹ *in lakhs*)**

Particulars	***Fiscal 2020***	***Fiscal 2021***
Current Assets		
Inventories		
-Raw materials	1,122.66	2,375.48
-Work-in-Progress	44.55	59.84
-Finished Goods	715.97	379.27
-Others	10	10
Financial Assets		
-Trade Receivables	900.1	724.09
-Cash and Bank Balance	7.93	8.59
-Loans and Other Financial Assets		
Other Current Assets	157.48	208.78
Total (A)	**2,958.69**	**3,766.05**
Current Liabilities		
Trade Payables		
-For Raw Material, Packing Material and Finished Goods	317.29	62.00
-For Expenses & Others	-	-
Other Financial Liabilities, Current Liabilities and Short Term Provisions	301.96	592.95
Current Tax Liabilities (Net)	41.90	154.97
Total (B)	**661.15**	**809.92**
Total Working Capital (A)-(B)	**2,297.54**	**2,956.14**
Funding Pattern		
Working capital funding from bank/ financial institutions/others (including Guaranteed Emergency Credit Line Working Capital Loan due to COVID-19)	1,994.34	,878.01
Internal accruals/networth	303.20	1,078.13

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated December 10,2021 has approved the estimated and projected working capital requirements for Fiscal 2022 and 2023 respectively are as stated below:

(₹ in Lakhs)

Particulars	***Fiscal 2022 (Estimated)***	***Fiscal 2023 (Projected)***
Current Assets		
Inventories		
-Raw materials	3,050	3,450
-Work-in-Progress	79	105
-Finished Goods	480	650
-Others	17	20
Financial Assets		
-Trade Receivables	875	1,130
-Cash and Bank Balance	20	30
-Loans and Other Financial Assets		
Other Current Assets	50	50
Total (A)	**4,571**	**5,435**
Current Liabilities		

Particulars	*Fiscal 2022 (Estimated)*	*Fiscal 2023 (Projected)*
Trade Payables		
-For Raw Material, Packing Material and Finished Goods	400	495
-For Expenses & Others		
Other Financial Liabilities, Current Liabilities and Short Term Provisions	268.44	712
Current Tax Liabilities (Net)	224.73	252.00
Total (B)	**893.17**	**1,459.00**
Total Working Capital (A)-(B)	**3,677.83**	**3,976.00**
Funding Pattern		
Working capital funding from bank/ financial institutions/others	1325.00	2100.00
IPO proceeds	775.00	-
Internal accruals/networth	2,352.83	1,876.00

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)

Particulars	**Holding Level for Fiscal 2020**	**Holding Level for Fiscal 2021**	**Holding Level for Fiscal 2022 (Estimated)**	**Holding Level for Fiscal 2023 (Estimated)**
Current Assets				
Raw materials	1.81	3.48	3.36	2.89
Work-in-Progress	0.06	0.07	0.07	0.07
Finished Goods	0.99	0.44	0.45	0.46
Trade Receivables	1.15	0.75	0.72	0.71
Current Liabilities				
Trade Payables for Raw Material, Packing Material and Finished Goods	0.44	0.07	0.37	0.39

Justification for "Holding Period" levels

The justifications for the holding levels mentioned in the table above are provided below:

Inventories	Raw material: We have assumed raw material inventory period of 3.36 months for the Fiscal 2022 and 2.89 months for Fiscal 2023, which is slightly lower than our raw material inventory of 3.48 months for fiscal year 2021 since we intend to focus on rationalizing our inventory management.
	Work in Progress: We have assumed work in progress inventory period of 0.7 months days for the Fiscal 2022 and Fiscal 2023 which is on similar line with our WIP requirement of 0.7 months for Fiscal 2021.
	Finished Goods: We have assumed finished goods inventory of 0.45 for Fiscal 2022 and Fiscal 2023 which is on similar lines with our finished goods inventory for fiscal year 2021.
Trade Receivables	Our Company shall give credit facility of around 0.72 months and 0.71 months to our debtors for Fiscal 2022 and Fiscal 2023 as compared to 0.75 months for Fiscal 2021. Going forward our Company intends to provide stringent credit

	facility to our debtors to increase our liquidity and busss operations.
Trade Payables for Raw Material, Packing Material and Finished Goods	We have assumed trade payables for Raw Material, Packing Material and Finished Goods period of 0.37 months for the Fiscal 2022 and 0.39 months for Fiscal 2023 as against credit period of 0.30 months for Fiscal 2021 which is reasonable at the volume of operations proposed to be carried by us.
Capacity Utilisation & Demand	It is further assumed that the present capacity will be adequate to generate the desired results of operations.

Our Company proposes to utilize ₹ 775.00 lakhs of the Net Proceeds in Fiscal 2022 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2022 will be arranged from existing networth, working capital facilities and internal accruals.

Pursuant to the certificate dated November 24,2021, our Statutory Auditors, have compiled the working capital requirements from the Restated Financial Statements and the working capital projections of the Company as approved by its Board of Directors pursuant to resolution dated .

General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

a) strategic initiatives;

b) strengthening of marketing activities; and

c) ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "*General Corporate Purposes*" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Issue Related Expenses

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

Expenses*	**Estimated expenses(1) (in ₹ Lakhs)**	**As a % of the total estimated Issue expenses(1)**	**As a % of the total Gross Issue Proceeds(1)**
Fees payable to BRLM (including underwriting commission)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Legal Advisors to the Issue	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of Issue stationary	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate[2]	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers [3]	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the	[●]	[●]	[●]

Expenses*	Estimated expenses(1) (in ₹ Lakhs)	As a % of the total estimated Issue expenses(1)	As a % of the total Gross Issue Proceeds(1)
Syndicate or Registered Brokers and submitted with the SCSBs [4]			
Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them [5]	[●]	[●]	[●]
Others (bankers to the Issue, auditor's fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**As on the date of the RHP, Our Company has incurred ₹ 20.31 lakhs towards Issue Expenses out of internal accruals as certified by M/S Shiv Jindal & Co., Chartered Accountant dated Novemebr 20, 2021.*

1. To be determined on finalization of the Issue Price and updated in the Prospectus prior to filing with the RoC.

2. Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs (for the bid cum application forms directly procured from investors), on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs 0.10% ^ (exclusive of GST)

Portion of NIIs 0.10% ^ (exclusive of GST)

^ Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ 10 (plus applicable GST) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

1. *Registered Brokers, will be entitled to a commission of ₹ 10.00 (plus GST) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*
2. *SCSBs would be entitled to a processing fee of ₹ 10.00 (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*
3. *Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹. 10.00 (plus GST) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them.*

   Further the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Bridge Financing

Our company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

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 utilisation 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(5) of the Listing Regulations, our Company shall disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than those stated in this Red Herring Prospectus, certified by the statutory auditors of our Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Further, in accordance with the Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

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 authorised 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.

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BASIS FOR ISSUE PRICE

The Price Band/Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled "Risk Factors", "Financial Information" and chapter titled "Our Business" beginning on pages 28, 144 and 103 respectively of this Red Herring Prospectus, to have a more informed view before making an investment decision..

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Issue Price are:

- Diverse product portfolio with focus on quality;
- Experienced management and dedicated employee base;
- Repeat Orders;
- Location Advantage.

For further details, refer to heading "Our Competitive Strengths" under the chapter titled "Our Business" beginning on page 103 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial information of the Company for the period ended June 30, 2021 and for the Financial Year 2021, 2020 and 2019 prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations For details, refer section titled "Financial Information" beginning on page 144 of the Red Herring Prospectus.

Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

1. **Basic and Diluted Earnings per Share ("EPS") at face value of ₹ 10 each, as adjusted for changes in capital:**

As per Restated Ind AS Financial Information:

Year/Period ended	Basic and diluted EPS (₹)	Weight
March 31, 2021	5.24	3
March 31, 2020	1.02	2
March 31, 2019	1.80	1
Weighted average	3.26	
June 30, 2021*	4.48	

**Not Annualised*

Note:-

1. *Basic Earnings per share = Net profit/ (loss) after tax for the year/period, as restated attributable to equity shareholders /Weighted average number of equity shares outstanding during the year/period.*
2. *Diluted Earnings per share = Net profit after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.*
3. *Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].*
4. *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing 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.*
5. *Earnings per share calculations are in accordance with the notified Indian Accounting Standard 33"Earnings per share"*
6. *On May 17, 2021, our Company issued 49,38,800 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported*

2. **Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of face value of ₹ 10 each fully paid up**

Particulars	P/E Ratio on Floor Price	P/E on Cap Price
P/E ratio based on Basic EPS for FY 2020-21	[●]	[●]
P/E ratio based on Diluted EPS for FY 2020-21	[●]	[●]
Industry Peer Group P/E ratio		
Highest	54.45	
Lowest	6.41	
Average	22.30	

Note-The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see "– Comparison of Accounting Ratios with Listed Industry Companies" on Note 5 of this chapter.

3. Return on Net worth (RoNW)

As per Restated Ind AS Financial Information:

Year/Period ended	RoNW (%)	Weight
March 31, 2021	17.76	3
March 31, 2020	4.22	2
March 31, 2019	7.73	1
June 30, 2021*	13.17	
Weighted average	11.58	

**Not Annualised*

Notes:

1. *Return on Net Worth (%) = Net Profit after tax attributable to equity shareholders, as restated / Net worth as restated as at year end.*
2. *Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
3. *Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Information.*

4. Net Asset Value (NAV) per Equity Share of Face Value of Rs 10 each as per Restated Ind AS Financial Information:

Particulars	₹ per Equity Share
Net Asset Value per Equity Share as on March 31, 2021	29.47
Net Asset Value per Equity Share as on June 30, 2021	34.05
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Net Asset Value per Equity Share after the Issue - At Cap Price	[●]
Issue Price per equity share	[●]

Notes:

1. *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net Asset Value Per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year/period. / Number of equity shares outstanding as at the end of year/period.*
3. *Net worth is aggregate value of the paid-up share capital of the Company and other equity (excluding revaluation reserves, if any) if any, as per Restated Financial Information.*
4. *On May 17, 2021 our Company issued 49,38,800 Equity Shares to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported*

5. Comparison of Accounting Ratios with Listed Industry Companies:

Name of the Company	CMP*	EPS (Basic (₹)	EPS (Diluted (₹)	P/E Ratio	RONW (%)	NAV (₹)	Face Value (₹)	Total Income (₹ in Lakhs)
AB Cotspin India Limited	[●]	5.24	5.24	[●]	17.76	29.47	10.00	11556.78

Name of the Company	CMP*	EPS (Basic (₹)	EPS (Diluted (₹)	P/E Ratio	RONW (%)	NAV (₹)	Face Value (₹)	Total Income (₹ in Lakhs)
Peer Group**								
Amarjothi Spinning Mills Limited	62.95	24.17	24.17	6.74	11.1	217	10.00	17487.80
Suryalata Spinnning Mills Limited	282	43.99	43.99	6.41	13.0	348	10.00	27757.86
Salona Cotspin Limited	218.35	4.01	4.01	54.45	13.84	72.25	10.00	8134.11
Pashupati Cotspin Ltd.***	82	3.8	3.8	21.58	5.4	64.4	10.00	44327.76

* Issue Price of our Company is considered as CMP.

**Source: *All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the filings made with stock exchanges, available on www.bseindia.com and www.nseindia.com for the Financial Year ending March 31, 2021.*

Notes:

1. *Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.*
2. *The figures for AB Cotspin Limited are based on the restated financial information for the year ended March 31, 2021.*
3. *Current Market Price (CMP) is the closing price of the peer group as on November 24, 2021 on BSE and NSE.*
4. *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.*
5. *P/E Ratio for the peers has been computed based on the closing market price of respective equity shares as on November 24, 2021 sourced from website of BSE Ltd. and NSE as divided by the Basic EPS.*
6. *RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.*
7. *AB Cotspin Limited is a Book Built Issue and price band for the same shall be published 2 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.*
8. *The price band/floor price/Issue Price shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the equity shares by way of Book Building and is justified based on the above qualitative and quantitative parameters.*

For further details see section titled "Risk Factors" beginning on page 28 of this Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled "Financial Information" beginning on page 144 of this Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
AB Cotspin India Limited
176, Homeland Enclave,
Bathinda, Punjab – 151001
CIN: U17111PB1997PLC020118

Dear Sir/Ma'am,

Sub: Proposed Initial Public Offering (IPO) of the Equity Shares of the AB Cotspin India Limited, (the "Company"), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the "Act").

1. This report is issued in accordance with the terms of our engagement letter dated October 5, 2021

The accompanying Statement of Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 (hereinafter referred to as the "Income Tax Regulations") and under thethe Central Goods and Services Tax Act, 2017 / the Integrated Goods and Service Tax Act, 2017 (GST Act"),(read with Goods And Service Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2020 has been prepared by the management of the Company in connection with the proposed Offer, which we have initialled for identification purposes.

Management's responsibility

2. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus (the "Offer Documents") is the responsibility of the management of the Company and has been approved by the Board of Directors for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's responsibility

3. Our work has been carried out in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

4. Pursuant to the SEBI Regulations and the Act, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the special tax benefits available as of June 30,2021 on the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

5. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Offering.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

8. Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

9. The 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available as of June 30,2021, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations & other Indirect Tax Regulations as at the date of our report.

    Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

    (i) The Company or its shareholders will continue to obtain the benefits as per the Statement in future; or

    (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

Restriction on Use

11. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the NSE.

For M/s. Shiv Jindal & Co.
Chartered Accountants
Peer Review No.: 012530
Firm's Registeration No.: 011316N

Sd/-
Shiv Jindal
Partner
Membership No.: 090090

UDIN – 2109009AAAAJL5191

Date- 19/11/2021
Bathinda

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

A) Direct Taxation:

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

There are no special tax benefits to the company.

b. Special tax benefit to the shareholder

There are no special tax benefits to the shareholders of the company.

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.

3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

B) Indirect Taxation:

1) **Benefits available under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax Rules, Circulars and Notifications) (together referred to as "GST Regime "or "GST Law")**

1.1. Special tax benefits to the company

There are no special tax benefits to the company.

1.2. Special tax benefit to the shareholder

There are no special tax benefits to the shareholders of the company.

SECTION V – ABOUT THE COMPANY

OUR INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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MACRO ECONOMIC OVERVIEW - GLOBAL

The outlook for the global economy has darkened. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated and some large emerging market and developing economies have experienced significant financial market stress. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum. Downside risks have become more acute and include the possibility of disorderly financial market movements. More frequent severe weather events would raise possibility of large swings in international food prices, which could deepen poverty. In this difficult environment, it is of paramount importance for emerging market and developing economies to rebuild policy buffers while laying a stronger foundation for future growth by boosting human capital, promoting trade integration and addressing challenges associated with informality.

The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

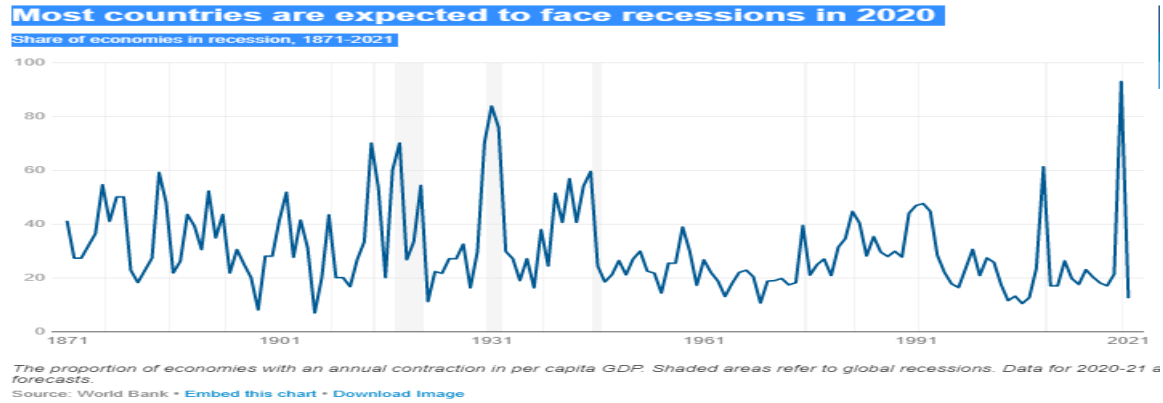
The June 2020 Global Economic Prospects describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has dealt to prospects for growth. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, using market exchange rate weights—the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages.

The crisis highlights the need for urgent action to cushion the pandemic's health and economic consequences, protect vulnerable populations, and set the stage for a lasting recovery. For emerging market and developing countries, many of which face daunting vulnerabilities, it is critical to strengthen public health systems, address the challenges posed by informality, and implement reforms that will support strong and sustainable growth once the health crisis abates.

Global economic growth exhibited signs of sluggishness in FY 20 driven by weakness in a few emerging economies resulting in slower global manufacturing and trade. The concerns around Brexit and the continuing trade war between United States and China provided additional stimulus to already dampening global Macro-economic conditions. The International Monetary Fund (IMF), in its World Economic Outlook, April 2020, calculated a global economic growth of 2.9% in CY2019, a significant fall from 3.6% in CY2018. Following the outbreak of COVID-19, global economy charted an unprecedented curve, multiplexed by uncertainties. Most of the economies across the world have been severely impacted due to restriction of movement, crippling trade, and businesses. While it is difficult to predict the course of the pandemic and its economic consequences, a recovery in medium term is likely to depend on emergency macro policy interventions by various countries and emergence of a vaccine for COVID-19. Potential disruptions in developed economies with imposition of tariffs, embargoes, and other trade restrictions or controls and high volatility of commodity prices including oil and metals can further hamper the near-term outlook. IMF projects the global growth rate to shrink by 3% in CY2020. However, if the pandemic is contained by the second half of CY2020, it suggests the global economy will likely grow by 5.8% in CY2021, supported by fiscal and monetary measures

Historic contraction of per capita income

The pandemic is expected to plunge most countries into recession in 2020, with per capita income contracting in the largest fraction of countries globally since 1870. Advanced economies are projected to shrink 7 percent. That weakness will spill over to the outlook for emerging market and developing economies, who are forecast to contract by 2.5 percent as they cope with their own domestic outbreaks of the virus. This would represent the weakest showing by this group of economies in at least sixty years.



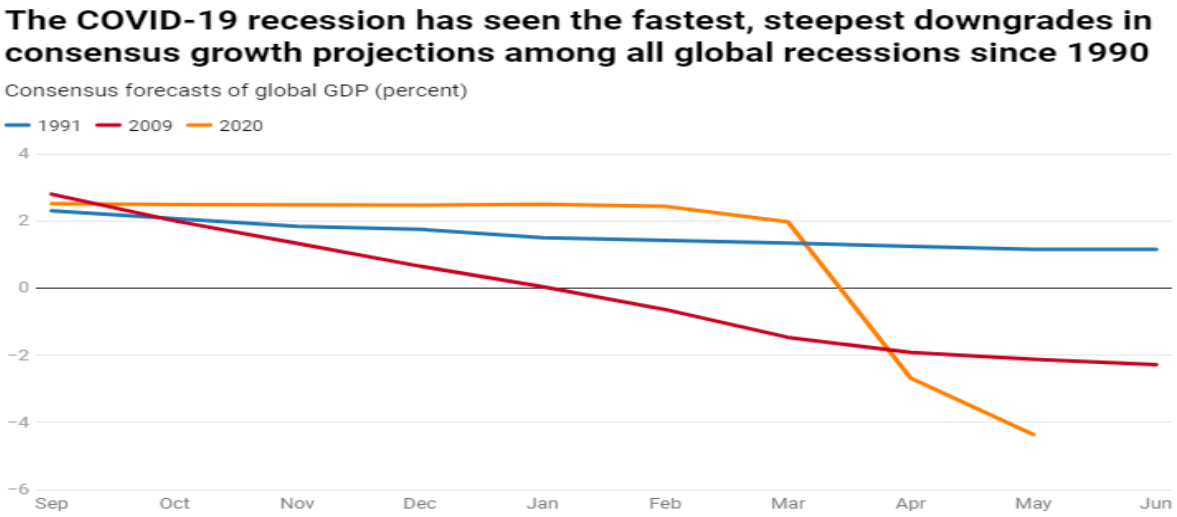
Every region is subject to substantial growth downgrades. East Asia and the Pacific will grow by a scant 0.5%. South Asia will contract by 2.7%, Sub-Saharan Africa by 2.8%, Middle East and North Africa by 4.2%, Europe and Central Asia by 4.7%, and Latin America by 7.2%. These downturns are expected to reverse years of progress toward development goals and tip tens of millions of people back into extreme poverty.

Emerging market and developing economies will be buffeted by economic headwinds from multiple quarters: pressure on weak health care systems, loss of trade and tourism, dwindling remittances, subdued capital flows, and tight financial conditions amid mounting debt. Exporters of energy or industrial commodities will be particularly hard hit. The pandemic and efforts to contain it have triggered an unprecedented collapse in oil demand and a crash in oil prices. Demand for metals and transport-related commodities such as rubber and platinum used for vehicle parts has also tumbled. While agriculture markets are well supplied globally, trade restrictions and supply chain disruptions could yet raise food security issues in some places.

Even this bleak outlook is subject to great uncertainty and significant downside risks. The forecast assumes that the pandemic recedes in such a way that domestic mitigation measures can be lifted by mid-year in advanced economies and later in developing countries, that adverse global spillovers ease during the second half of 2020, and that widespread financial crises are avoided. This scenario would envision global growth reviving, albeit modestly, to 4.2% in 2021.

However, this view may be optimistic. Should COVID-19 outbreaks persist, should restrictions on movement be extended or reintroduced, or should disruptions to economic activity be prolonged, the recession could be deeper. Businesses might find it hard to service debt, heightened risk aversion could lead to climbing borrowing costs, and bankruptcies and defaults could result in financial crises in many countries. Under this downside scenario, global growth could shrink by almost 8% in 2020.

Looking at the speed with which the crisis has overtaken the global economy may provide a clue to how deep the recession will be. The sharp pace of global growth forecast downgrades points to the possibility of yet further downward revisions and the need for additional action by policymakers in coming months to support economic activity.



September to December shows forecasts made in the previous year, while January to June shows data for the current year. Data for 1991 are for advanced economies only due to data availability.

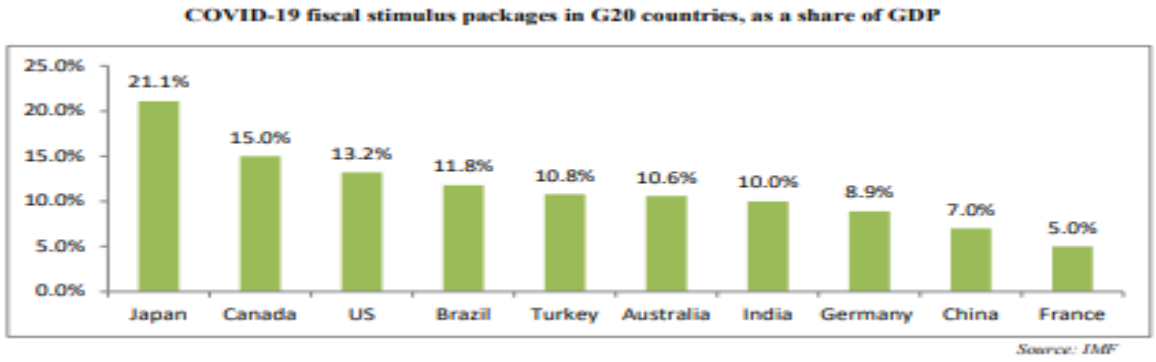
Source: Consensus Economics, World Bank

Gross Domestic Product (GDP) Growth

With the growth in the COVID-19 pandemic, the economic damage is already evident and represents the largest economic shock the world has experienced in decades.

The baseline forecast envisions a ~4.4% contraction in global GDP in 2020. Using market exchange rate weights this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. The deep recession triggered by this pandemic is expected to have short-term repercussions like low investments with the erosion of human capital and fragmentation of the global trade linkages. However, the medium-long term health of the economy will be healthy, with the demand expected to soar back to its pre-COVID levels. This is expected to be driven by the increased government investments and incentive schemes

In order to address these issues, most of the large global economies have announced several stimulus packages to revive demand.



(Source:- https://www.worldbank.org/)

IMF World Economic Outlook, April 2020
World Bank
P = Projections

MACROECONOMIC OVERVIEW - INDIA

Macroeconomic Overview of India Gross Domestic Product (GDP) Growth and Outlook

An already-slowing Indian economy has been derailed from its growth track after a stringent shutdown was imposed in March to halt the spread of Covid-19. India's GDP is expected to contract by 10.3% in FY21 – for the first time in four decades. Due to Covid-19, the GDP of Q1 of FY21 GDP declined by 23.9% at INR 26,895 Cr as compared to INR 35,353 Cr for the same period last year (Q1 FY20). The Private Final Consumption declined

by 24% in Q1 FY21 as compared to Q1 FY20 and the Gross Final Capital Formation reduced by 48% for the same tenure.

Real GDP Value, at constant price (INR 000'Bn) and Growth %, India, 2008 to 2025F

Strong Growth Path

The government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In addressing the current slowdown, India has several advantages and comforting factors including the following:

• **Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020 announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy.

• **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors.

• **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership (PPP) programme for the delivery of high-priority public utilities and infrastructure.

• **Burgeoning Foreign Exchange (Forex) Reserves:** India's foreign exchange reserves (currently USD 500 Bn, the highest ever) provide confidence in the country's ability to manage the balance of payments.

• **Demographic Dividend:** Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15-59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

The way forward is too uncertain and it is not possible to have a precise road map for the foreseeable future. However, given India's strong fundamentals and a clear roadmap to maintain the growth trajectory, the country will remain at the forefront of global economic growth.

INDIAN ECONOMY GROWTH RATE & STATISTICS

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

The Indian economy has further been slowed down from its growth track on account of a stringent lockdown imposed in March to prevent the spread of the COVID-19 pandemic. India's GDP is expected to reduce by -4.5% in Fiscal 2020, for the first time in four decades. However, the medium term growth outlook is expected to improve and record a growth rate of approximately 7.3% by 2025 on account of strong macroeconomic fundamentals, including moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies. Due to the COVID-19 pandemic, the GDP of the first quarter of Fiscal 2021 declined by 23.9% to ₹ 26,895 crores from ₹ 35,353 crores during the first quarter of Fiscal 2020. The private final consumption declined by 24% and gross final capital formation reduced by 48% from the first quarter of Fiscal 2020 to the first quarter of Fiscal 2021.

India's GDP registered the highest growth of 8% in FY 2015-16 when both the global growth and country specific growth parameters were in sync. Despite the consolidation, the economy was growing healthy in the following three fiscals with a growth of 6% to 7%, and was considered one of the fastest growing economies with China. However, FY 2019-20 manifested severe liquidity crunch, lower GST collections and a strain on fiscal deficit, followed by a continuous drop in consumption, investment and trade. Growth in all key sectors decelerated considerably. The Government tried to push growth through significant easing of monetary policy with repo rate cuts and extensive credit support to the Non-Banking Financial Companies (NBFCs) sector. The growth roadmap for next fiscals was also augmented by the amendment of Insolvency and Bankruptcy Code (IBC), the launch of the National Infrastructure Pipeline (NIP) with a budget of ` 102 Lakh Crores and the Union Budget 2020-21 with targeted allocations. However, the outbreak of COVID-19, the escalated healthcare costs and the loss incurred by the economy due to the nationwide lockdown hampered the chances of an economic recovery. GDP growth forecast has been lowered due to the uncertainty brought about by the sudden halt to all economic activities. A CRISIL report forecasted India's GDP growth to contract by 5% in FY 2020-21. The organization estimated a permanent loss of 10% of GDP in real terms and the impact is estimated to spread over next three years. IMF

revised its forecast for India in its June WEO, and projected a negative growth of 4.5% for FY 2020-21. It, however, projects the Indian economy to grow by 6% in FY 2021-22 backed by Government's policy support.

Sources: IMF World Economic Outlook, April 2020, IMF World
World Bank
Economic Outlook, April 2020, http://www.mospi.gov.in/sites/
Default/files/press_release/PRESS%20NOTE%20PE%20and%20
Q4%20estimates%20of%20GDP.pdf, https://www.bbc.com/news/ world-asia-india-52559324

GLOBAL MANUFACTURING SECTOR:

World Manufacturing Growth

Global manufacturing output recovered following a significant drop of 11.2 per cent due to COVID-19 containment measures in the second quarter of 2020, and grew by 2.4 per cent in the fourth quarter of 2020 in a year-over-year comparison. Industrialized economies continued to record a reduction in manufacturing production in the last quarter of 2020, and have still not fully recovered from the contractions of 16.2 percent and 5.6 per cent in the previous two quarters. The pandemic had a strong impact on China, the world's largest manufacturer, in the first quarter of 2020, but the country's manufacturing sector quickly bounced back. According to seasonally adjusted index numbers, China's manufacturing output increased by 9.4 per cent in the fourth quarter of 2020 in a year-over-year comparison, following a growth rate of 7.9 per cent in the third quarter. Manufacturing production in developing and emerging industrial economies2 (excluding China) registered an increase of 1.0 per cent in the last quarter of 2020, following COVID-19 re-lated declines of 23.1 per cent and 4.1 per cent in the second and the third quarters, respectively. The economic downturn of 2020 is the first of such magnitude since the financial crisis of 2008/2009 (Figure 2). During that crisis, sub-stantial reductions in production were recorded for four consecutive quarters, but exceptionally high increases in production were reported in subsequent quarters. It remains to be seen whether the current economic crisis will follow a similar path to recovery. The most recent figures reflect the global shock caused by the COVID-19 pandemic as well as the incipient recovery. Trends in 2020 were dominated by COVID-19, and previous challenges and uncertainties (such as the rise of trade protectionism or Brexit) moved to the background. The ongoing pandemic will con-tinue to pressure governments around the world to actively support their economies and business activity.

Analysts have emphasized the possibility of diverging, short-term scenarios, which may strongly depend on the development of fur-ther virus mutations and global vaccine distri-bution.3 The upcoming months will also de-termine whether a permanent redistribution of global manufacturing production will take place after the pandemic ends, as countries seek to significantly reduce their import dependence on essential goods.

Industrialized economies

Industrialized countries reported output losses of 1.6 per cent in the fourth quarter of 2020, compared to decreases of 16.2 per cent and 5.6 per cent in the second and third quarters, respectively. The contractions registered in the second half of 2019 were mostly caused by pre-vailing trade and tariff uncertainties in commod-ity trading between the United States, China and the European Union (EU), but these were clearly overshadowed by COVID-19 in 2020. De-tailed figures presented in this report provide further insights into different industrialized re-gions.

In a year-over-year comparison, North America's manufacturing output fell by 3.1 per cent in the fourth quarter, after falling 15.9 per cent and 5.6 per cent in the second and third quarters of 2020, respectively. This development is primarily linked to manufacturing activity in the United States, where output dropped by 3.0 per cent, 5.6 per cent and 15.5 per cent in the last three quarters of 2020.

The manufacturing output of East Asia's industrialized economies increased by 0.1 per cent in the fourth quarter of 2020, barely touch-ing positive territory after plummeting 12.9 per cent and 5.8 per cent in the second and third quarters, respectively. Japan's output, the largest manufacturer in this group, declined by 3.5 per cent in the latest quarter of 2020, fol-lowing a decrease of 20.5 per cent in the se-cond quarter, triggered by COVID-19. However, the Republic of Korea (+2.1 per cent), Taiwan, Province of China (+8.2 per cent) and Singapore (+11.4 per cent) recorded notable increases dur-ing the fourth quarter due to the positive per-formance of the computer and electronics as well as the pharmaceuticals industries.

The manufacturing production of Euro-pean industrialized economies fell by 1.3 per cent in the fourth quarter of 2020. The downward trend witnessed prior to the outbreak of the COVID-19 crisis had already affected export-oriented countries in particular, and was mainly attributable to ongoing trade frictions with the United States as well as the uncertainties related to the Brexit negotiations.

Disaggregated data for Europe's industri-alized countries show comparatively weaker ma-nufacturing figures in eurozone countries in pre-ceding quarters. Country-level data for the fourth quar-ter of 2020 indicate varying growth patterns of manufacturing output in industrialized Euro-pean economies (Figure 5). Countries with the

largest manufacturing sectors remained among those worst affected by the economic disrup-tions: Spain's manufacturing output fell by 2.2 per cent, Italy's by 3.0 per cent, Germany suf-fered a decrease of 3.1 per cent and France of 4.4 per cent. Manufacturing output in Ireland grew by an impressive 17.3 per cent in the fourth quarter of 2020, and also reported the lowest level of losses among all European countries dur-ing the COVID-19 affected second quarter. Focusing on non-EU industrialized econo-mies, output in the United Kingdom fell by 3.5 per cent in the last quarter, following a drop of 7.1 per cent in the third quarter. It re-mains to be seen whether the now completed Brexit will further impact the United Kingdom's and the EU's manufacturing output in the post-pandemic era. Switzerland also registered a sig-nificant reduction in output by 3.3 per cent in the fourth quarter of 2020 compared to the same quarter in 2019, while the Russian Federation registered a modest growth of 1.5 per cent dur-ing the same period. It is still unclear how severely and for how long industrialized countries will be affected by the pandemic's aftermath, considering that quarter in 2019, while the Russian Federation registered a modest growth of 1.5 per cent dur-ing the same period.

It is still unclear how severely and for how long industrialized countries will be affected by the pandemic's aftermath, considering thatthe global hotspot for the coronavirus pandemic shifted to Europe and the United States during the last months of 2020. However, mass vacci-nation campaigns have begun in many of these countries, and there is renewed hope for an im-minent end to the strict lockdown measures.

Developing and emerging industrial economies

In accordance with UNIDO Statistics' country groups, China is presented separately from other country groups due to its size and the specific characteristics of its economy. Sus-tained high growth rates over the past several years have been rapidly transforming China into an industrialized economy.

China

The latest seasonally adjusted figures indi-cate that China's manufacturing output climbed 9.4 per cent in the fourth quarter of 2020, fol-lowing an increase by 7.9 per cent in the pre-vious quarter, the period during which China reached (and exceeded) its pre-crisis output level. The majority of Chinese industries expe-rienced growth in the last quarter of 2020, with only a few exceptions, such as wearing apparel (-5.5 per cent) and leather products (-8.5 per cent). Medium high- and high-technology indus-tries, such as pharmaceuticals (12.4 per cent), computer electronics (11.0 per cent) and auto-mobiles (14.0 per cent), recorded high year-over-year output growth in the fourth quarter of 2020.

It remains uncertain, however, whether China's export-oriented manufacturing sector can main-tain high growth rates in production if global demand for manufactured goods remains sub-dued.

Other developing and emerging industrial economies

The manufacturing output of developing and emerging industrial economies increased by 1.0 per cent in the fourth quarter of 2020, follow-ing a plunge of 23.1 per cent due to COVID-19 containment measures during the second quarter of that year. This group's growth performance was already sluggish in 2019 after a steady de-cline in growth throughout 2018.

Asia and the Pacific reported a year-over-year drop in manufacturing output of 0.7 per cent in the fourth quarter of 2020, following re-ductions of 25.4 per cent and 6.4 per cent in the second and third quarters, respectively. The shrinking growth rates that have been recorded since the end of 2018 onwards already marked a downward trend, following higher year-over-year increases in previous quarters. A closer look at specific countries in this region reveals varying trends in sect oral production. For example, ma-nufacturing output in India increased by 1.3 per cent, in Viet Nam by 9.0 per cent and in Pak-istan by 10.9 per cent. By contrast, it decreased by 1.0 per cent in Sri Lanka, by 1.9 per cent in Thailand, by 3.1 per cent in Indonesia, by 7.5 per cent in the Philippines and by 10.2 per cent in Mongolia.

In the fourth quarter of 2020, Latin America's manufacturing output grew by 2.2 per cent following declines of 24.2 per cent and 3.9 per cent in the second and third quarters on a year-over-year basis. This country group has experienced sluggish economic growth since 2018. The region's two largest manufacturers, Mexico (-0.5 per cent) and Brazil (+5.2 per cent) recorded di-verging trends in manufacturing output, as did other countries in this region. Costa Rica's, Argentina's and Uruguay's outputs increased by 4.6 cent, 2.2 per cent and 0.7 per cent, respectively, while Colombia witnessed stagnation and Honduras' output dropped by 7.5 per cent.

Compared to the fourth quarter of 2019, growth estimates based on limited data avail-ability for African countries indicate a de-crease of manufacturing output by 1.3 per cent. By contrast, in the second quarter, output dropped by 15.7 per cent as COVID-19 forced many countries to impose containment measures. While Senegal's and Rwanda's manufacturing output increased by 10.4 per cent and 5.8 per cent, respectively, that of Nigeria, South Africa and Tunisia dropped by 0.5 per cent, 2.2 per cent and 2.7 per cent, respectively.

The manufacturing output of other developing economies experienced a comparatively high year-over-year growth in manufacturing production of 6.6 per cent in the fourth quarters of 2020, after suffering a drop of 17.6 per cent in the second quarter. Turkey, the largest manufacturer in this group, registered a signifi-cent rise in output of 10.9 per cent in the fourth quarter of 2020. However, other countries in this group showed varying production growth pat-terns. For instance, manufacturing output in Greece, Romania and Croatia increased by 1.5 per cent, 0.6 per cent and 0.2 per cent, respectively, while decreases were observed in Bulgaria by 3.2 per cent, in the Republic of Moldova by 4.4 per cent and in Ukraine by 8.1 per cent.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2020; United Nations Industrial Development Organisation - www.unido.org)

INDIAN MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 5% during FY16 and FY20 as per the annual national income published by Government of India. The sector's GVA at current prices was estimated at US$ 397.14 billion in FY20PE.

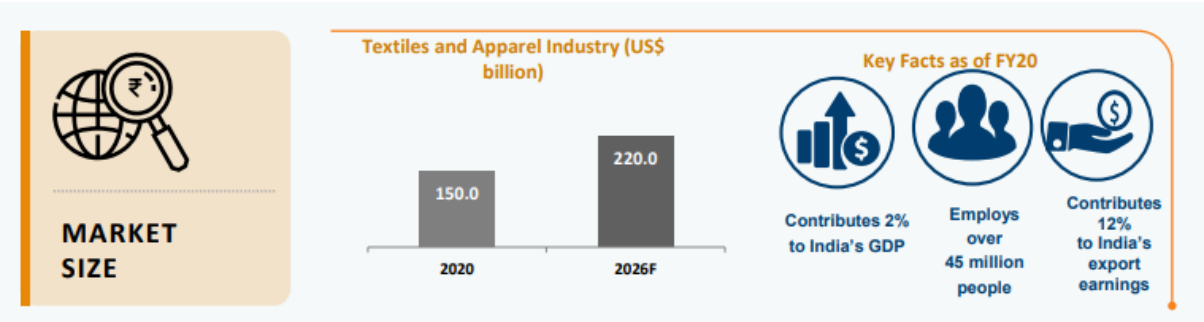
Business conditions in the Indian manufacturing sector continue to remain positive. The manufacturing component of IIP stood at 129.8 during FY20. Strong growth was recorded in the production of basic metals (10.8%), intermediate goods (8.8%), food products (2.7%) and tobacco products (2.9%). India's Index of eight core industries stood at 131.9 in FY20.

According to the Ministry of Statistics & Programme Implementation, India's industrial output, measured by IIP, rose by 3.6% y-o-y in October 2020.

Merchandise export decreased 4.78% y-o-y to reach US$ 314.31 billion in FY20.

In October 2020, India's manufacturing sector recorded improvement for the third consecutive month, with businesses growing production to the greatest extent in 13 years in the middle of robust sales growth.

(Purchasing Managers' Index) PMI fell from 58.9 in October 2020 to a three-month low of 56.3 in November 2020, signifying strong growth in the manufacturing sector, despite losing traction.



Source: Textile and apparel industry in India - India Brand Equity Foundation - www.ibef.org

Investments

With the help of Make in India drive, India is on a path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and an increasing purchasing power.

According to the United Nations Conference on Trade and Development (UNCTAD), India ranked among the top 10 recipients of Foreign Direct Investment (FDI) in South Asia in 2019, attracting US$ 49 billion—a 16% increase from the previous year.

Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US$ 89.40 billion during April 2000 March 2020. In May 2020, the Government of India increased FDI in defence manufacturing under the automatic route from 49% to 74%.

India has become one of the most attractive destinations for investment in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

In November 2020, the National Small Industries Corporation (NSIC) signed a Memorandum of Understanding (MoU) with Dun & Bradstreet Information Services India to create an ecosystem to encourage, finance and promote growth of micro, small and medium enterprises (MSMEs).

In October 2020, Japan Bank for International Cooperation (JBIC) agreed to provide US$ 1 billion (Rs. 7,400 crore) to SBI (State Bank of India) for funding the manufacturing and sales business of suppliers and dealers of Japanese automobile manufacturers and providing auto loans for the purchase of Japanese automobiles in India.

In October 2020, Tata Group announced plans to invest Rs. 5,000 crore (US$ 673.20 million) to set up an Apple phone component plant in Hosur, Tamil Nadu.

In October 2020, Grinntech, an investor-backed startup specialising in lithium-ion batteries for Evs and energy storage systems, signed a MoU with the Tamil Nadu government to establish a battery and battery management system manufacturing facility in the state.

In October 2020, five international electronics manufacturing applications from companies such as Foxconn, Wistron, Pegatron, Samsung and Rising Star have been approved by the Government of India to set up production worth ₹ 9 trillion (US$ 122.5 billion) over the next five years.

In October 2020, five Indian manufacturers such as Micromax, Lava, Padget Electronics, UTL Neolyncs and Optiemus Electronics have been cleared by the Government of India to set up handset production worth Rs. 1.25 trillion in the next five years (US$ 17.02 billion).

In September 2020, Pegatron, the second-largest manufacturer of Apple after Foxconn, began its India operations with the appointment of statutory auditors and transfer of Rs. 99 lakh (US$ 0.1 million) for an initial subscription of equity shares. The move is a precursor for the Taiwanese electronics maker to set up a manufacturing base in India.

In May 2020, Sterling and Wilson Solar Limited (SWSL) bagged an Engineering Procurement Construction (EPC) contract in Australia for Rs. 2,600 crore (US$ 368.85 million).

In March 2020, Oricon Enterprises entered into a joint venture agreement with Italy-headquartered Tecnocap Group to set up a new company, Tecnocap Oriental, for manufacturing lug caps.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

In November 2020, the Ministry of Skill Development and Entrepreneurship begun skill training of 3 lakh migrant workers from the identified 116 districts across Uttar Pradesh, Bihar, Rajasthan, Odisha, Madhya Pradesh and Jharkhand. The initiative aims to empower migrant workers and rural population in the post-COVID-19 era through demand-driven skilling and orientation under the centrally sponsored and centrally managed (CSCM) component of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2016-20.

In March 2020, the government approved the Production Incentive Scheme (PLI) for Large-scale Electronics Manufacturing. The scheme proposes production-linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.

In May 2020, Government increased FDI in Defence manufacturing under the automatic route from 49% to 74%.

In March 2020, the Union Cabinet approved financial assistance to the Modified Electronics Manufacturing Clusters (EMC2.0) Scheme for development of world class infrastructure along with common facilities and amenities through Electronics Manufacturing Clusters (EMCs).

As per the Ministry of Statistics and Programme Implementation (MOSPI) & Ministry of Labour & Employment report on Payroll Reporting in India, number of new subscribers* under Employees' Provident Fund Scheme reached 10,47,167 in September 2020.

Under the Pradhan Mantri Kaushal Kendras, 73 lakh people were trained during 2016-20 while 723 Pradhan Mantri Kaushal Kendras were established till Jan 2020.

As of August 2020, there were about 15,000 Industrial Training Institutes (ITIs) in India.

In August 2019, the Government permitted 100% FDI in contract manufacturing through the automatic route.

In February 2019, the Union Cabinet passed National Policy on Electronics (NPE), envisaged to create a US$ 400 billion electronics manufacturing industry in the country by 2025. 32% growth rate has been targeted globally in next five years.

Under the Make in India initiative, Government aims to increase the share of the manufacturing sector to country's GDP to 25% by 2025.

Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2%. In April 2020, Government extended FTP for one more year, up to March 31, 2021.

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US$ 100 billion by 2025 through policy interventions.

With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

References: Central Statistics Office, FICCI, Economic Survey of India, DPIIT, Media sources, Ministry of Skill Development and Entrepreneurship

Note: Conversion rate used for June 30, 2021 is Rs. 1 = US$ 0.0134

(*Source: Manufacturing sector in India - India Brand Equity Foundation - www.ibef.org)*

INDIAN COTTON EXPORT INDUSTRY OVERVIEW

Cotton plays an important role in the Indian economy as the country's textiles industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn. The Indian textiles industry contributes around 5% to country's gross domestic product (GDP), 14% to industrial production and 11% to total export earnings. The industry is also the second-largest employer in the country after agriculture, providing employment to over 51 million people directly and 68 million people indirectly, including unskilled women. The textiles industry is also expected to reach US$ 223 billion by 2021.

Gujarat, Maharashtra, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Haryana, Rajasthan, and Punjab are the major cotton producers in India.

Key Markets and Export Destinations

- Cotton yarn and fabrics export account for about 23% of India's total textiles and apparel export.
- In 2019-20*, India's cotton production was 36.04 million bales of 170 kgs each.
- During 2019-20, export of cotton yarn, cotton fabrics, cotton made-ups and handloom products reached US$ US$ 10.01 billion.
- The total cotton yarn/ fabs /made-ups, handloom products and other export accounted for US$ 5802.55 million from April to November 2020 and for November 2020 it was US$ 869.38 million.
- Various reputed foreign retailers and brands like Carrefour, Gap, H&M, JC Penney, Levi Strauss, Macy's, Marks & Spencer, Metro Group, Nike, Reebok, Tommy Hilfiger and Walmart import Indian textile products.

Cotton Textile Export Promotion Council

The Cotton Textile Export Promotion Council (TEXPROCIL) takes part in national and international events to enhance the visibility of Indian products, advertise and promote Indian products in various media vehicles such as fashion magazines, event-related pull-outs, India reports and leading trade magazines, and organise buyer-seller meets (BSM) and trade delegation visits.The Cotton Textile Export Promotion Council (TEXPROCIL) is the sole body to represent India at international events to increase Indian products visibility, promotions, advertisements and organizing buyer-seller meets (BSM) and trade delegation visits.

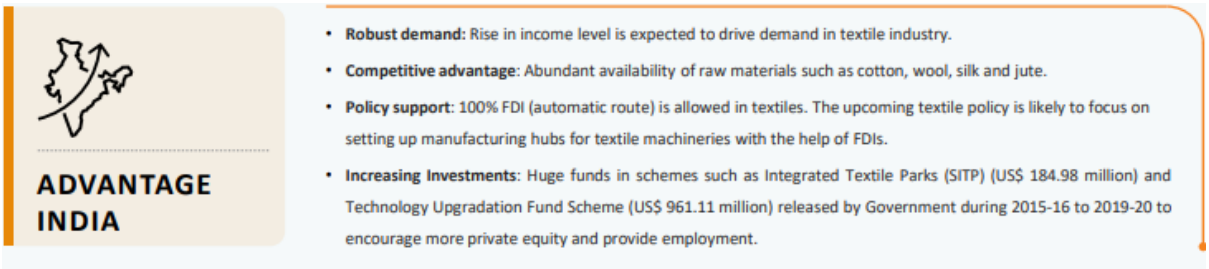
INDIAN COTTON INDUSTRY OVERVIEW

The report covers the present ground scenario and the future growth prospects of the cotton industry in India for 2017-2030 along with the industry players' analysis. We calculated the industry size and revenue share on the basis of revenue generated from major players in the India region. India cotton industry is forecasted on the basis of cotton manufacturers, suppliers, distributors and retailers.

India Cotton Industry Outlook 2017-2030, has been prepared based on an in-depth industry analysis from industry experts. The report covers the competitive landscape and current position of major players in the India cotton industry space. The report also includes Porter's five force model, SWOT analysis, company profiling, business strategies of industry players and their business models. "India Cotton Industry Report" also recognizes value chain analysis to understand the cost differentiation, pricing models to provide a competitive advantage to the existing and new entry players.

COVID-19 impact on "India Cotton Market"

The report analyzes and includes complete detailed chapter of 50-70 pages about the short term & long terms impact of COVID-19 outbreak on each segment of "India Cotton Market" along with government measures to support the sector. It also showcases the current market landscape during COVID, impact of the virus on leading companies, expected demand schedule and supply chain in the industry and other various major factors. This will help you identify those companies that may benefit from this pandemic as well as those that will lose out.



Source: Textile and apparel industry in India - India Brand Equity Foundation - www.ibef.org

Key Market Players

Our India cotton industry report comprises of the following companies as the key players: Arvind Ltd, Bombay Dyeing and Manufacturing Company Ltd, Bombay Rayon Fashions Ltd, Fabindia Overseas Pvt Ltd, Grasim Industries Ltd, JCT Ltd, Raymond Ltd, The Lakshmi Mills Company Ltd, Vardhman Cottons Ltd, etc.

The study was conducted using an objective combination of primary and secondary information including inputs from key participants in the industry. The report contains a comprehensive industry and vendor landscape in addition to a SWOT analysis of the key vendors.

Source-https://www.goldsteinresearch.com/report/cotton-industry-india

INDIAN TEXTILE SECTOR ANALYSIS

The Indian textile industry is among the oldest industries in the country dating back several centuries. The industry contributes 7% to the total industry output and 2% to the GDP. It also contributes 12% to export earnings and holds 5% of the global trade in textiles and apparel.

The Indian textiles industry is also the second largest contributor towards employment generation, after agriculture, contributing 10% to the country's manufacturing, owing to its labor-intensive nature. India also enjoys a comparative advantage in terms of skilled manpower and cost of production relative to major textile producers.

The Indian textile and apparel industry can be broadly divided into two segments – yarn and fiber, and processed fabrics and apparel. The industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum and the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector.

The industry is also highly sensitive to the cotton market as over 70% of its output is based on cotton - unlike globally where articles made of man-made fibers account for a larger share.

India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. Superior quality makes companies in India a leader in export- almost two-thirds of India's export of textiles is to US and UK.

India is also a key growth market for the technical textiles sector due to the cost effectiveness, durability and versatility of technical textiles. Technical textile industries major service offerings include thermal protection and

blood absorbing materials, seatbelts and adhesive tapes. Healthcare and infrastructure sectors are the major drivers of the technical textile industry.

Increased penetration of organized retail, favourable demographics, and rising income levels are likely to drive demand for textiles.

In order to attract investment in the industry, the Government has introduced various schemes such as the Technology Up-gradation Fund Scheme (TUFS) and the Scheme for Integrated Textile Parks. Under Union Budget 2020-21, the government of India has proposed a National Technical Textiles Mission for the period FY21 to FY24 at an estimated outlay of Rs 14.8 billion

100% FDI is allowed under the automatic route in the Indian textile sector. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.46 billion from April 2000 to September 2020

Financial Year 2020

Sales of clothing and apparel saw modest growth at an overall level. While the momentum in sales for the sector started to build-up by Q3FY20, the sudden collapse in March 2020 impacted the overall volumes for several leading players.

The Indian government on its part continued to be engaged constructively with the textile sector. In the recent budget for FY21, several industry friendly measures were announced including removal of anti-dumping duty from PTA, set-up of National Technical Textile Mission and review of Rules of Origin in FTAs to ensure that industry interests are not compromised.

The government also decided to walk out of the contemplated Regional Comprehensive Economic Partnership (RCEP) treaty, a free trade agreement with South East Asian countries which brought much needed relief to the sector.

Cotton prices saw sharp swings during FY20. By middle of the financial year, cotton prices had softened to 60 cents, to bounce back to 70 cents level by Dec-Jan and soften again to 60 cents by April 2020. Players with very high exposure had to suffer large mark-to-market losses as a result during price downturns. Cotton production in FY20 is estimated to have reached 32.3 million bales

In July 2020, the Flipkart Group bought a minority stake in Arvind Youth Brands, a subsidiary of Arvind Fashions for Rs 2.6 billion.

In August 2020, the Department of Promotion of Industry and Internal Trade (DPIIT) proposed incentives for the textile sector for product diversification of the top forty apparel and home textile goods and the top ten technical textile goods that are traded globally. The long term suggestion is to have a Rs 400 billion textile fund to encourage investment in the identified textile segments.

In September, 2020, the Union Cabinet approved signing an MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan, for improving quality and testing Indian textiles and clothing for the Japanese market. This India-Japan pact on cooperation in textiles will facilitate Indian exporters to meet the requirements of Japanese importers as per the latter's technical regulations.

In October 2020, the Cabinet Committee on Economic Affairs chaired by Mr. Narendra Modi approved mandatory packaging of 100% food grains and 20% sugar in jute bags. Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987, the government is required to consider and provide for the compulsory use of jute packaging materials for supply.

Prospects

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade.

High economic growth has resulted in higher disposable income which has led to a rise in demand for products creating a huge domestic market. Rising industrial activity is expected to support the growth in per capita income.

Increased penetration of organized retail is likely to drive demand for home textiles whereas growth in building and construction is expected to drive demand for non-clothing textiles.

Opportunities in product and design innovations can help address the changing preferences of young vibrant India. E-commerce is expected to lead the way for growth.

The Government plans to create Centres of Excellence (CoE) aimed at creating testing and evaluation facilities as well as resource and training facilities for the textile industry. The existing four CoEs would also be upgraded in

terms of development of incubation centres and would provide support for the development of prototypes. Fund support would also be provided for appointing experts to develop these facilities

The Central Silk Board has set targets for raw silk production. To achieve these targets, alliances with the private sector especially major agro based industries in pre cocoon and post cocoon segments are being encouraged.

The Integrated Wool Development Programme (IWDP) was approved by Government of India to provide support to the wool sector, starting from wool rearer to end consumer, with an aim to enhance quality and increase production. Under the Union Budget 2019-20, US$ 4.1 million was allocated to this programme.

The Ministry of Textiles has announced US$ 106.6 million for setting up 21 readymade garment manufacturing units in seven states for development and modernization of Indian textile sector.

The new textile policy aims to achieve US$ 300 billion worth in textile exports by 2024-25 and create an additional 35 million jobs. By 2022, the Indian textile sector will require an additional 17 million work force.

The Directorate General of Foreign Trade (DGFT) has also revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from 2% to 4%, which will prove beneficial for the sector.

The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%.

The technical textile industry is expected to reach US$ 32 billion by FY23, growing at a CAGR of 12.2% over FY18. The industry is supported by various flagship schemes initiated by the Government to promote its full potential.

Source:-https://www.equitymaster.com/research-it/sector-info/textiles/Textiles-Sector-Analysis-Report.asp

DEMAND DRIVERS OF INDIA'S TEXTILE INDUSTRY

Working women: Women constitute 48% of India's population; 23.6% Indian women engage in paid work, strengthening the demand for apparel.

Single brand retail: The government eased the mandatory local sourcing norms for FDI in single brand retail trading by reducing the limit to 10 %, provided they export 20 % of their products.

E-commerce and e-tailing: India's online retail is growing faster and estimated at US$18 billion in 2019.

Abundant natural fibre: The Indian textile industry principally depends on cotton, its building block. The production of raw cotton in India is estimated to have reached 32.3 million bales in FY20, which plays an important foundation for the textile industry. The availability of large varieties of cotton fibre along with the fast-growing synthetic fibre industry could address growing demand.

Increasing population: India's population has grown from 555.2 million in 1970 to 1.36 billion in 2019, a 146 per cent increase. The country is expected to add 273 million people by 2050. *(Source: India Today)*

Millennial demand: India is a young country with a median age of 28 years. Millennials account for 34% of the country's total population and ~47% of the working population, spending a significant amount on lifestyle products. (*Source: Outlook India*)

Affluent middle- class: Aspiring and affluent households that earn between Rs. 5 lakh and Rs. 20 lakh per annum helped spur domestic consumption in India over the past decade. Affluent households have more than doubled since 2008, from 10 million to 24 million. Aspirers increased from 31 million households to 57 million. Elite households, those who earn upwards of Rs. 20 lakh, grew from 3 million to 9 million. With rising affluence in India, households are climbing up the income ladder to drive nearly 3.5 times growth in consumption. This growth is driven by two main factors—average spends per household and the total number of households. *(Source: Live Mint)*

Increasing disposable incomes: The nominal per capita net national income during FY20 was estimated at Rs. 135,050, a rise of 6.8 % compared to Rs. 126,406 during FY19. *(Source: Business Today)*

Growing retail: India's retail industry is expected to grow from US$ 792 billion in 2018 on account of favourable demographics, higher income levels, and increased internet penetration, among others.

(Source: World Bank, Business Today, Economic Times, Care ratings)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 28. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021 included in this Red Herring Prospectus. For further information, see "Financial Statements" on page 144.

In this section, unless otherwise stated, references to "Company" or to "we", "us" and "our" refers to A B Cotspin India Limited.

Overview

We are primarily engaged in manufacturing of cotton yarn, knitted fabric, cottonseed oil and oilcakes. Our Company commenced its business in 1997 with a cotton ginning plant with cotton bales and cotton seeds being our initial products. Thereafter in the year 2000, we installed a crushing unit to extract oil from cotton and mustard seeds and expanded our product basket with the addition of cotton seed oil, mustard oil and oil cake. In the year 2011, we ventured in manufacturing cotton yarn by setting up a spinning plant. In the year 2014 we installed a knitting machine and thus forayed into manufacturing of knitted fabric. With our expansion over the years under the guidance of our manage ment, we have been able to generate revenue from operations of ₹ 11,536.49 lakhs lakhs during the fiscal 2021.

We have one manufacturing facility which is located at, Jaitu (Dist Faridkot), Punjab. As on date of the RHP, we have an installed 18,000 spindles for manufacturing cotton yarn, 441 mt p.a. for knitted fabric and 6,750 mt p.a. for seed oil/oilcake. Over the years, we have made investments in our manufacturing infrastructure to support our product portfolio requirements and reach.

We are supplying our products domestically. Our domestic revenue from operations for the Three months period ended June 30, 2021 and for the financial years ended March 31, 2021, 2020 and 2019 were 100.00%, 100.00%, 100.00% and 97.81% respectively of our total revenue from operations. As on date of the RHP, our majority customers are being situated at Punjab and Haryana. As on June 30 2021, we have 2 warehouses and 1 Shop cun godown to manage our supply chain operations.

Our Company is promoted by Mr. Deepak Garg and Ms. Pooja Garg.

For the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 our revenue from operations was ₹ 3,049.74 lakhs, ₹ 11,536.49 lakhs, ₹ 9,411.44 lakhs and ₹ 12,094.50 lakhs, respectively. Our EBITDA for the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 was ₹ 573.82 lakhs, ₹ 1,010.49 lakhs, ₹ 566.71 lakhs and ₹ 761.08 lakhs respectively while our profit after tax for the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 was ₹ 332.22 lakhs, ₹ 387.82 lakhs, ₹ 75.77 lakhs and ₹ 133.02 lakhs respectively.

Impact of COVID-19 on our business operations

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. However our manufacturing operations were shut down only for 2-3 days and we were not majorly impacted as our Company primarily caters to domestic demand and not exports. Our revenue from operations stood at ₹ 3,049.72 lakhs during the Three months ended June 30,2021.

However, currently many states in India is experiencing second wave of the pandemic and there are many regional lockdowns being announced across the country to combat the situation. Further India is in stage of initial distribution of vaccines, we cannot predict the timelines as to when the vaccines shall reach at mass level. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

Our Strengths

We consider our business strengths to be the following:

Diverse product portfolio with focus on quality

We have gradually diversified, expanded and evolved our operations from selling cotton bales and seeds to yarn, knitted fabric, seed oil and oil cakes. We engage in manufacturing of products based on the orders of our customers to meet our customer requirements. We believe that maintaining a variety in range of products in our business provides us with an opportunity to cater to diverse needs of different customer segment.

Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. We have an in-house laboratory for quality control purpose which have 5 employees as on June 30, 2021. We believe that focus on quality are the key strengths for our success over the years.

Experienced management and dedicated employee base

We have an experienced management team with expertise in the textiles industry. Our team has entrepreneurial and managerial experience in our industry. We consider this facilitates effective operational coordination and continuity of business strategies. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships.

Our management team is led by Deepak Garg, our Chairman and Managing Director, and Manohar lal, Whole Time Director who has been associated with the company since incorporation as first directors and also as subscribers to the MOA. We have 255 employees as of June 30, 2021, excluding contract employees. We believe that the experience and relationships with various stakeholders that our management team has, have enabled us to extend our operating capabilities, continuously improve our processes and achieved our growth in our industry.

Repeat orders

We believe that meeting customer specific requirements and delivery of orders is one of the factor for growth. Our Company has made efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

Location Advantage

Our Company is located in Punjab which is considered as one of the hub for cotton textiles in India and enjoys domestic market for knitted fabric and cotton yarn. For the three months period ended June 30,2021 and for fiscal 2021, 2020 and 2019 our revenue from customers situated in Punjab was 64.72%, 70.88%, 70.68% and 7.23% of our total revenue from operations. Hence, such location boosts our marketing activities and adds value to our revenues due to established markets. Further our manufacturing unit is also strategically located in terms of access to key raw materials. Our existing manufacturing facility is located at Jaitu, Punjab which is surrounded by the narma/cotton producing belt and facilitates ease of procurement of our key raw material i.e. raw cotton and cotton.

Our Strategies

Our business strategies include the following:

Increase our existing installed capacities

We propose to set up a new manufacturing facility which shall expand our existing installed capacities for cotton yarn. We have already procured a land adjacent to our existing manufacturing facility for the proposed expansion. This shall help us cater to expand our customer base and increase our revenue from operations. We believe with our knowledge and experience in our industry segment, we are well poised to leverage the opportunity this industry offers. We shall continue to strive to offer qualitative and diverse products to meet evolving preferences of customers.

Increase our customer base by exploring new markets

At present we are making sales in domestic markets only. We aim to focus on increasing our customer base by exploring international markets. During 2019-20, export of cotton yarn, cotton fabrics, cotton made-ups and

handloom products reached US$ US$ 10.01 billion.It is to be noted that even while domestic cotton yarn production decreased by 23.2% during April 2020 - January 2021, exports of cotton yarn increased by 4.5%, implying growth in demand from international markets. This along with higher cotton prices resulted in increase in cotton yarn prices. We intend to capitalise on huge demand for Indian yarn and increase our export presence. In this direction, we shall participate in international trade exhibitions, appoint dealers at strategic locations, create local presence and explore geographies where we can begin our international operations.

Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

Brand Image

We would continue to associate ourselves with quality customers and supply products to their utmost satisfaction. We are highly conscious about our brand image and intend to have our brand building exercise by providing quality products and services to the satisfaction of the customers.

Business Operations

Our Product Portfolio

A brief description of our key products are as follows:

Type of the Product	Our Major Varieties	Application
Cotton Yarn	Combed Yarn, Carded Yarn, Slub and Double Yarn	These are used for making gray cloth which is then used in manufacturing apparels.
Knitted Fabric	Single Jersey, Rib, Collar and Lycra	These are used for manufacturing apparels.
Seed Oil*/ oilcake	Cotton seed and mustard seed cake, Cotton seed and mustard seed oil	Cottonssed oil and mustard seed oil is further refined in refineries and is used for human consumption. Oilcakes are used for cattlefeed.

*Seed oil referes to cottonseed oil and mustard seed oil.

Note- We also sell cotton seed, cotton waste and cotton.

Product wise bifurcation of Revenue are tabulated as follows :

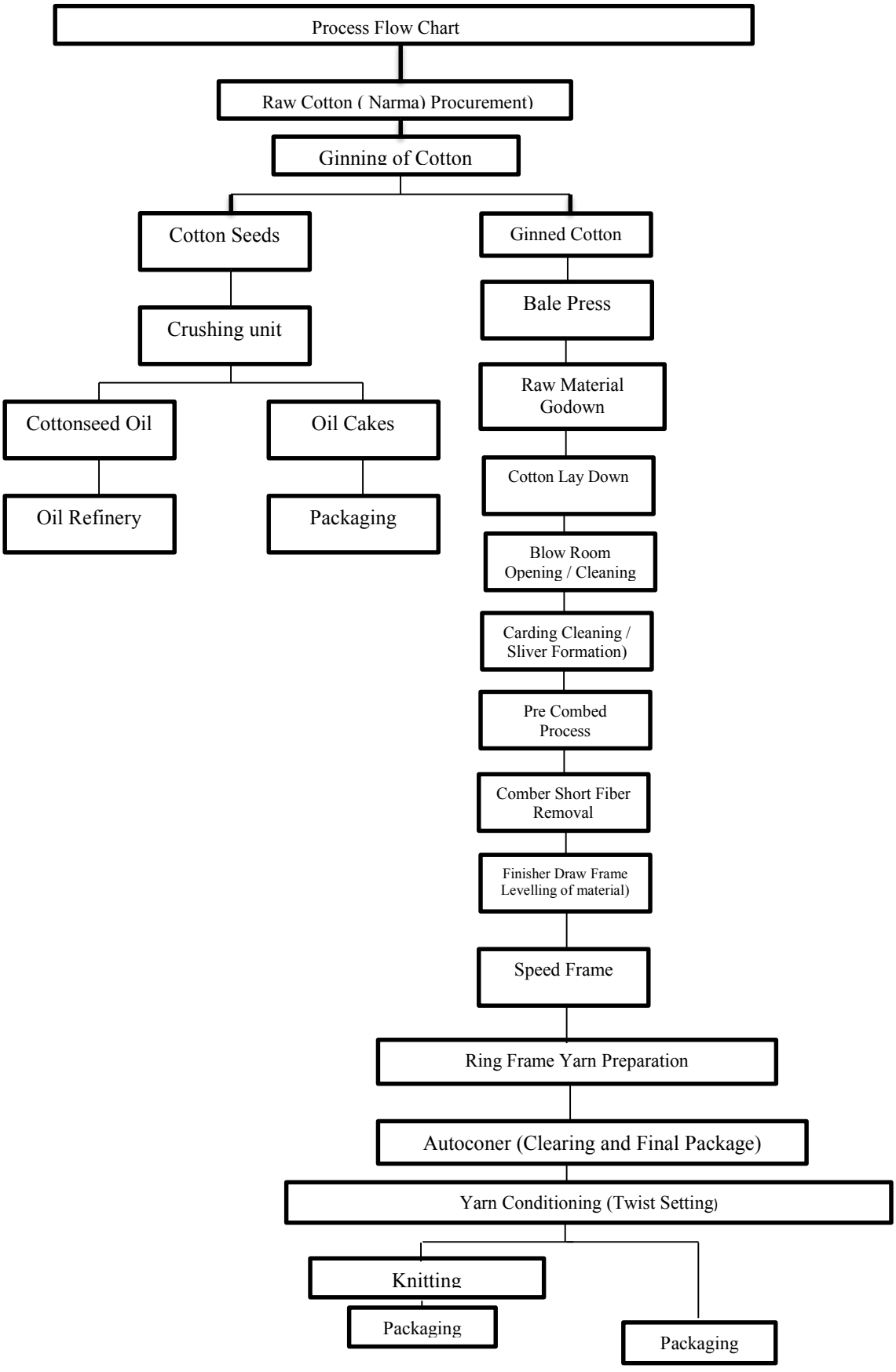
(Rs in Lakhs)

Particulars	June 30, 2021	March 31st, 2021
Cotton Seed Cake	69.56	1,358.78
Cotton Seed Oil	38.27	735.08
Cotton Seed	0.33	265.79
Cotton Waste	187.24	462.97

Cotton Yarn	2,177.62	6,803.20
Cotton	-	773.03
Oil Gad	0.21	1.90
Cloth	186.82	742.77
Mustard Seed Cake	109.20	82.07
Mustard Seed Oil	263.29	247.67
Total	**3,032.54**	**11,473.25**

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Manufacturing Process of Ginning of Cotton



The manufacturing operations described through above diagram are explain as follows-

Ginning

The raw cotton (narma) goes into a cotton gin. The cotton gin separates seeds and removes the "trash" (dirt, stems and leaves) from the fibre. In a saw gin, circular saws grab the fibre and pull it through a grating that is too narrow for the seeds to pass. A roller gin is used with longer staple cotton. Here, a leather roller captures the cotton. A knife blade, set close to the roller, detaches the seeds by drawing them through teeth in circular saws and revolving brushes which clean them away. The ginned cotton fibre, known as lint, is then compressed into bales which are about 1.5 m tall and weigh almost 165 kg. Only 33% of the crop is usable lint. Commercial cotton is priced by quality, and that broadly relates to the average length of the staple and the variety of the plant. Longer staple cotton (2½ in to 1¼ in) is called Egyptian, medium staple (1¼ in to ¾ in) is called American upland, and short staple (less than ¾ in) is called Indian. We also procure cotton directly which can be used for spinning.

Spinning

Blow Room

It is the starting of spinning operation where the fibre is opened, cleaned, mixed, micro dust is removed and evened.

Carding

Carding is a mechanical process that disentangles, cleans and intermixes fibres to produce a continuous web or sliver suitable for subsequent processing. This is achieved by passing the fibres between differentially moving surfaces covered with card clothing. It breaks up locks and unorganized clumps of fibre and then aligns the individual fibres to be parallel with each other. Cotton is opened, trash is removed from it and sliver is formed.

Drawing

The input sliver is kept in stationary cylinders. After passing through the draw frame, the combined sliver is collected in moving cylinders. 6 slivers are converted into a single sliver, hence called unit 6 sliver. Wider the draw frame, more even is the sliver formed.

Comber

It is an intermediate process for extracting short fibres from cotton sliver

Speed Frame

The following operations are involved in speed frame:

Drafting: The drawn frame sliver feed to the speed frame is reduced in size by the action of drawing and drafting. So that, the reduced size of the roving is within the drafting range of the ring frame.

Twisting: Spiralling the fibres around each other about the axis of the strand so to bind them together to impart sufficient strain, to enable it to build-up in the form of a suitable package, convenient to handle from one process to another. Here, the amount of twist used should be just sufficient to hold the fibres together but it should preclude drafting in the ring frame.

Ring Frame

The ring frame process is the last and the most important process in the yarn manufacturing process. “The machine which converts the roving into desired yarn count is called ring frame”. It is the most commonly used method in yarn manufacturing process. The final yarn of required count gets spun on the ring frame machine. The roving obtained from simplex machine gets used as input material in the ring frame process. Three actions (drafting, twisting and package formation) are performed simultaneously and continuously in the ring frame process. The material is drafted so many times of its length according to yarn count to be spun. After drafting, a required amount of twist is inserted to the fibres strand to hold the fibres together strongly. Now this yarn gets wound onto the ring bobbin. These ring bobbins have very low amount of yarn on them, so that yarn from these bobbins is transferred on the large package which is called cone, cheese or spool. This machine is suitable to spun cotton, synthetic and many other fibres efficiently. The widest range of yarn count can be spun on the ring frame. The yarn produced

on the ring frame machine has very good tensile strength, elongation percentage, yarn evenness and hairiness properties. The ring spun yarn is more expensive than open end yarn.

Winding

The creation of large yarn packages that can be easily unwound, is called winding. This makes using the yarn on subsequent machines easier and more economical.

Knitting

Knitting is a method by which yarn is manipulated to create a fabric; it is used in many types of garments. Knitting may be done by hand or by machine. Knitting creates stitches: loops of yarn in a row, either flat or in the round (tubular). We can knit yarn in different structures like Single Jersey, Interlock, Rib structure and Pique.

Oil Crushers

The cotton seed / mustard seed are crushed in crushers to extract oil and oil cakes. Oil is sold as cottonseed oil and mustard seed oil and oil cakes for cattle feed. We have one oil crushing unit in which we crush the cottonseed and mustard seed.

Our Manufacturing Facility

We currently have 1 manufacturing facility in Punjab located on over 27,063.40 square meters of land. The location details of our manufacturing facility is as under:

Address	Area (Sq. Mtr)	Leasehold/ Owned	Purpose
Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202	27,063.40	Owned	Manufacturing facility

Capacity and Capacity Utilization

The details of the installed production capacity, actual production and capacity utilisation at our Unit for the period ended June 30, 2021and for Fiscals 2021, 2020 and 2019, are set forth below:

Product Name		Capacity Utilization			
		2018-19	2019-2020	2020-2021	June 30,2021*
Grey Yarn	Installed	18000 Spindle	18000 Spindle	18000 Spindle	18000 Spindle
	Actual	95.49%	95.81%	96.62%	94.91%
Knitting Cloth	Installed	441 Mt	441 Mt	441 Mt	441 Mt
	Actual	390 Mt	410 Mt	353 Mt	70 Mt
	(%)	88.44%	92.97%	80.05%	15.87%
Seed Oil/Cake	Installed	6750 Mt	6750 Mt	6750 Mt	6750 Mt
	Actual	5350 Mt	5425 Mt	6379 Mt	107 Mt
	(%)	79.26%	80.37%	94.50%	1.59%

^ *Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year divided by the aggregate installed capacity of the manufacturing facility as at the end of the relevant fiscal year.*

**In the case of capacity utilization for the three months ended June 30, 2021, the capacity utilization has been calculated by dividing the actual production for the period by 25% of the annualized installed capacity.*

The above information has been certified by CA Pritesh Bansal, Chartered Accountants, by certificate dated November 22,, 2021 .

Procurement and Raw Materials

Our principal raw material is Narma (Raw cotton), Cotton and mustard seed. We majorly procure our raw material requirements from various local Mandis (APMC). CCI is also one of our key supplier of cotton.
We do not have defined supply contracts with any of our raw material suppliers. Since the procurement is from various local mandis and CCI on seasonal basis we generally do not face shortage in supply of raw material. We majorly procure raw material on the day to day market price.

Pricing

We determine the prices for our products based on various parameters, including market demand, transportation costs, raw materials costs, inventory levels and credit terms.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our power requirements are met through state electricity boards. To meet exigencies in case of power failure, we have also installed D.G. sets at our Unit. We utilise ground water and water supply from local authorities to meet water requirements for our manufacturing process. We have also installed Solar Unit of 1 MW capacity which is operational in our business.

Customers, Sales and Marketing

Our business operations and products primarily cater to the various customers based mainly out of textile industry. Our major customers are situated in the state of Punjab and Haryana.

We have in-house team of 9 employees as on June 30, 2021 which looks after the sales and marketing of our products. Our in-house team work closely with our existing and prospective customers to understand their technical needs and specifications, evolving preferences and meet their requirements.

Inventory Management

Our finished products and raw materials are mainly stored on-site at our manufacturing facilitiy and our warehouses at Punjab. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders.

Logistics

We transport raw materials and finished products primarily by road. Our suppliers directly deliver our raw materials to our manufacturing facilitiy. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and Company. We also have owned three trucks and five tractor-trolleys for local delivery of the products.

Competition

The Indian textile and apparel industry can be broadly divided into two segments – yarn and fiber, and processed fabrics and apparel. The industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum and the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. We mainly compete with large organised companies and smaller regionally based competitors. Some of our competitors may have greater resources than those available to us. While product quality, timely delivery, etc. are key factors in customer decisions among competitors, however, price and quality are the deciding factor in most cases. Among listed companies of similar size and product portfolio, we face competition from listed companies like Amarjothi Spinning Mills Limited, Suryalata Spinnning Mills Limited , Salona Cotspin Limited and Pashupati Cotspin Ltd.

Information technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our manufacturing facility is connected to our central IT network that facilitates monitoring of

our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers.

Repair and maintenance

We conduct periodic repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facility is periodically inspected by our technicians.

Quality Control

We place significant emphasis on quality control. We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, technical parameters of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

Environment, Health & Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, see "Key Industry Regulations and Policies" beginning on page 113. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see "Government and Other Statutory Approvals" beginning on page 172.

Insurance

Our operations are subject to various risks inherent in our industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, accessories and stocks; (ii) Burglary insurance policy; (iii) Electronic equipment insurance policy; (iv) Machinery insurance policy; (v) Vehicle insurance policy; (vi) Workmen's compensation policy; and (vii) Marine export import open insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. *See "Risk Factors – Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss." on page 44.*

Employees

We have developed a pool of skilled and experienced personnel. We also hire part-time employees and temporary staff to meet our specific needs. As of June 30, 2021, we had an employee base of 255 employees. The following table sets forth a breakdown of our employees by function as of June 30, 2021:

Breakup Department wise	No of Employees
Management and Finance	13
Human Resources	8
Sales and Marketing	9
Purchase	10
Production	192
R&D	5
Security	12

Breakup Department wise	No of Employees
Others	6
Total	**255**

In addition, we contract with third-party manpower and services firms for the supply of contract labour for certain jobs at our manufacturing facility. The number of contract labourers varies from time to time based on the nature and extent of work.

Collaboration

As on date of this Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

Intellectual Property

For details relating to our Intellectual Property, please refer to chapter "*Government and Other Statutory Approvals*" on page 172 of this RHP.

We have also registered the domain name www.abcotspin.com in India.

Properties

Our registered office is located at 176 Homeland Enclave, Bathinda, Punjab, 151001 and is taken on leasehold basis from our Promoter Pooja Garg. As of the date of this Red Herring Prospectus, we operate our own manufacturing facility at Punjab. Further we have 2 warehouses and one shop cum godown located at Punjab which are taken on leasehold basis. Out of the agricultural land purchased for future expansion of manufacturing unit the Land vide Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2 situated opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202 has been converted into non agricultural land and the we have the other part of Agricultural Land vide Khasra Nos. 325/14/2, 1020, 519/21/2/2, 372/10/2 opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202 which are yet to be converted to non agricultural land.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye–laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business as manufacturers, dealers, distributors, agents, buyers, sellers, exporters, importers, commission agents, in raw or greay cotton, cotton yarn, cotton waste kapas, oil cakes, raw cotton related all products, acrylic and yarn of all kinds, other allied cotton and textile products. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements 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. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "Government and Other Statutory Approvals" beginning on page number 172 of this Red Herring Prospectus/ Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME") the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as "micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; or a medium enterprise , where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

INDUSTRIAL POLICY OF RELEVANT STATE

Industrial and Business Development Policy, 2017

The Industrial and Business Development Policy, 2017 (the "**Policy**") ushers' bold reforms, restructures institutions, and presents a holistic framework for sustainable industrial growth of the State. The Policy is architected around eight core strategic pillars of Infrastructure, Power, MSME, Ease of Doing Business, Start-up and Entrepreneurship, Skills, Fiscal and Non-Fiscal Incentives and Stakeholder Engagement supported by Sector Specific Strategies for growth. The policy gives a great thrust to the development of MSME sector. The policy also aims at promoting growth of service industries apart from the traditional manufacturing industries. Punjab has emerged as the leading hub for textile-based industries such as apparel manufacturing, spinning and hosiery exports. Further, engineering sector is a major contributor in the economy of Punjab. Over the last decade, it has grown more than 16%, and constitutes 23% of the total industrial output of Punjab. The key strength of Punjab is its thriving eco-system of well-established Micro, Small and Medium enterprises. Punjab is home to approximately 1.6 lakh MSME units, which are one of the most important pillars of the industrial growth. Punjab's industry is dominated by small and medium enterprises. It has a rich industrial base of MSME units belonging to Auto Components, Bicycle Parts, Hosiery, Sports Goods, Agricultural Implements and many others.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

ANTI-TRUST LAWS

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. 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. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution

to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

The Employees Compensation Act, 1923

The Employees Compensation Act, 1923 ("EC Act") (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

The Employees' State Insurance Act, 1948 (the "ESI Act") an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an

employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 (the "Child Labour Act")

The Child Labour Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder 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 lock-outs, closures, lay-offs and retrenchment.

TAX RELATED LEGISLATIONS

Value Added Tax

Value Added Tax ("VAT") is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input taxon sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Note: The VAT Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Note: The Service Tax now has been replaced by the Goods and Service Tax (GST) Act, 2017

Central Sales Tax Act, 1956

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Note: The CST Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taking out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Note: The Central Excise Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

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. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre 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 thereunder. It replaces 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.

Taxpayers with an aggregate turnover of ₹ 20 lakhs would be exempt from tax. The basic limit of exemption is increased to ₹ 40 lakhs for certain categories of persons vide notification dated 07th March, 2019. The new exemption from registration of ₹ 40 lakhs is applicable only for those taxable persons who are engaged in exclusive supply of goods w.e.f. 01st April, 2019. The exemption threshold for special category of states like North-East shall be ₹ 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto ₹ 1.5 crores (₹ 75 lakhsin case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. 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 number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948 ("Factories Act")

The Factories Act, 1948 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 81 working on any day of the preceding

twelve months, and in any part of which a manufacturing process is 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 thereunder 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.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Punjab Shops and Commercial Establishments Act, 1958 is applicable on our Company.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

Hazardous Waste (Management, Handling and Transboundary) Rules, 2008

The Hazardous Waste (Management,Handling and Transboundary) Rules, 2008, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility.Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for generating, processing, treatment, packing, storing, transporting, using, collecting, destructing, converting, offering for sale, transferring, or the line of the hazardous waste..

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Wastes Rules") (and the amendments thereof) impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

Designs Act, 2000

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

GENERAL LAWS

- Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade ("DGFT") for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

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. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment **("FDI")** through press notes and press releases. The DIPP**,** has issued consolidated FDI Policy Circular of 2017 **("FDI Policy 2017")**, which with effect 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 from time to time and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, 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 Directions.

Under the current applicable 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, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules shall come into effect from April 01, 2020. Till then the sectoral cap as mentioned in FDI Policy 2017 shall be applicable.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Note: Our Company was originally incorporated on June 23, 1997. Certain forms and resolutions filed with Registrar of Companies (prior to 2006), which includes forms and resolutions for increase in authorised share capital, share capital allotment, annual returns, etc. are not traceable by our Company. Our Company on December 28, 2017changed the registered office from Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India to 176, Homeland Enclave, Bathinda, Punjab – 151001, India and certain documents from incorporation till 2014 including corporate records, were lost in transit.Hence, this chapter is prepared based on ROC Search Report, data provided by the management and to the best of the information available.

CORPORATE PROFILE & BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as "Ganga Cottex Private Limited" at Jalandhar, as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 23, 1997 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh bearing number 16-20118 of 1997. Subsequently our Company was converted from Private Limited Company to a Public Limited Company pursuant to a special resolution passed by the members of our Company in the Extra-ordinary General meeting held on March 20, 2010 and the name of the our company was changed to "Ganga Cottex Limited". A fresh Certificate of Incorporation, consequent upon conversion of Private Limited Company to Public limited Company dated March 26, 2010 was issued by Registrar of Companies, Punjab, Himachal Pradesh, and Chandigarh, bearing corporate Identification Number U17111PB1997PLC020118. Further, the name of our company was changed to "AB Cotspin India Limited" and a fresh Certificate of Incorporation dated December 24, 2010, consequent upon change of name was issued by Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. The Corporate Identification Number of our company is U17111PB1997PLC020118.

Manohar Lal, Deepak Garg, Chiman lal, Tarsem lal and Ram Dayal Garg are the initial subscribers to the Memorandum of Association. Deepak Garg and Pooja Garg are the promoters of our Company. For further information, please refer to the chapter titled "*Capital Structure*" beginning on Page 63 of this Red Herring Prospectus.

For information on our Company's profile, activities, market, service, etc., market of each segment, capacity built-up, standing of our Company in comparison with competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled *"Our Business", "Our Industry", "Financial Statements as Restated", "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Government and Other Statutory Approvals"* beginning on page 103, 91, 144, 147 and 172 respectively of this Red Herring Prospectus.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

At present, the Registered Office of our Company is situated at 176, Homeland Enclave, Bathinda Punjab – 151001.The details of the changes in the Registered Office of our Company are set forth below:

From	To	Effective Date	Reasons
Bhatinda road, Jaitu Distt faridkot, Punjab- 151202, India.	53 homeland Enclaves, Bathinda, Punjab - 151001	December 14, 2010	For ease of operations of the Company
53 homeland Enclaves, Bathinda, Punjab - 151001	Bhatinda road, Jaitu Distt faridkot, Punjab- 151202, India.	December 19 , 2016	For ease of operations of the Company
Bhatinda Road, Jaitu, Faridkot, Punjab- 151202, India.	176, Homeland Enclave, Bathinda, Punjab – 151001, India.	December 28, 2017	For ease of operations of the Company

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
1997	AB Cotspin India Limited started its journey in the name of 'Ganga Cottex Private Limited' with Cotton ginning plant.
2010	The Company was converted from a Private Company to Public Limited Company for further expansion of operations of the Company.
	The Name of the Company was changed from 'Ganga Cottex Limited' to 'A B Cotspin India Limited.'
2015	The Company obtained Membership certification of Better Cotton Initiative (BCI).

KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

Year	Details
2016	Accredited as One Star Export House by DGFT
2018	First Prize for the Largest Reduction in Accident Frequency in Cotton Textile Industry (1 Lakh -5 Lakh man hours) by the Directorate of Factories Punjab & Punjab Industrial Safety Council
2021	The Company holds SCOPE certificate that certifies that products such as Greige yarns, Fibres, Greige fabrics comply with Global Organic Textile Standard (GOTS).

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To establish, purchase, sell, take on lease or otherwise, acquire and work any Textiles Mali Handlooms, Power Looms, Cotton Ginning and processing factory, spinning mills, weaving mills, Rice Mill, Oil Mill, Solvent plant, waste, plant, process for pressing merchandise into bales process, buy, sell, import, export, plege, speculate, enter into forward transactions or otherwise deal in cotton, Kapas, Cotton seed, Cotton seed oil, paddy, oil seed, Jute, Flex hemp, silk agricultural produce, and products, made thereof.
2. To carry on all or any of the following business namely Cotton Merchants, Cotton combers Cotton Spinners, Shoddy spinners, Wool Spinners, Staple, Spinners, Thread and yarn Merchants, bleaches, dryer, markers of victriol bleaching and dyeing material, and to purchase comb spin, dye and deal in wool, flex hemp, silk and other fibrous substances and to process and otherwise manufacture, buy and sell and deal in cotton, Kapas, linen, cloth and other goods and fabrics.
3. To carry on the business of spinning, twisting, doubling, weaving, knitting, fabricating, combing manufacturing, processing or preparing, darning, packing, bleaching, dying, and colouring, selling and buying, dealing in various, fibres like Cotton, Kapas, Wool, Staple, Silk and artificial silk, flex etc. and other substances including waste, cotton, raw cotton, wool, raw and rags.
4. To carry on all or any of the following, business as manufacturers, dealers, distributors, agents. buyers, ad sellers, exporters and importers, commission agents, in raw or greay cotton, cotton yarn, cotton waste, Kapas, Wool, wool yarn, wool waste, shoddy yarn, acrylic and yarn of all kinds, other allied cotton woolen and textile products.
5. To carry on the business of creation of agro farms either on owned land or on land acquired on lease, developers, of land and farms.

AMENDMENTS TO THE MOA OF OUR COMPANY IN THE LAST TEN YEARS

The following changes have been made to our Memorandum of Association, in the last ten years from the date of filing of this Red Herring Prospectus:

DATE OF EGM/AGM	AMENDMENTS
March 20, 2010	The authorised share capital of our Company was increased from ₹ 75,00,000 consisting of 7,50,000 Equity Shares of ₹ 10/- each to ₹ 3,00,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each.
March 20, 2010	The Name of Company was Changed from Ganga Cottex Private Limited to Ganga Cottex Limited pursuant to conversion of the Company from Private Company to Public Company.
July 20, 2010	The authorised share capital of our Company was increased from ₹ 3,00,00,000 consisting of 30,00,000 Equity Shares of ₹ 10/- each to ₹ 3,40,00,000 divided into 30,00,000 Equity Shares of ₹ 10/- each and 4,00,000 preference share of ₹ 10/- each
December 24, 2010	The Name of Company was Changed from Ganga Cottex Limited to A B Cotspin India Limited.
June 15, 2011	The authorised share capital of our Company was increased from ₹ 3,40,00,000 divided into 30,00,000 Equity Shares of ₹ 10/- each and 4,00,000 preference share of ₹ 10/- each to ₹ 5,00,00,000 divided into 46,00,000 equity share of ₹ 10 each and 4,00,000 preference share of ₹ 10 each
March 31, 2021	The authorized share capital of the company from existing ₹ 5,00,00,000 divided into 46,00,000 Equity shares of ₹ 10- each and 4,00,000 preference shares of ₹ 10/- each to ₹11,40,00,000 divided into 1,10,00,000 equity shares of ₹ 10/- each and 4,00,000 preference shares of ₹ 10/- each by creation of additional 64,00,000 equity shares of ₹ 10- each ranking pari passu with the existing Equity Shares of the Company in all respects.

HOLDING AND SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have any Holding company neither any Subsidiary company as on the date of filing of this Red Herring Prospectus.

JOINT VENTURES OF OUR COMPANY

Our Company has not entered into any Joint Venture as on the date of filing of this Red Herring Prospectus.

REVALUATION OF ASSETS

There has been no revaluation of assets of our company in last 10 years from the date of this Red Herring Prospectus.

MERGERS AND ACQUISITIONS IN LAST 10 YEARS

Our Company has not merged / amalgamated itself nor has acquired any business in the last ten years from the date of this Red Herring Prospectus.

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY

Our company has not divested any of its business / undertaking in last 10 years from the date of this Red Herring Prospectus.

SHAREHOLDER'S AGREEMENTS

Our Company has not entered into shareholders agreement as on date of filing of this Red Herring Prospectus except for the material shareholders agreement mentioned below under the heading '*Material agreements*' in this chapter.

MATERIAL AGREEMENTS

There are no subsisting material agreements or contracts which have been entered into by our Company prior to the date of this Red Herring Prospectus which are not in the ordinary course of business.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company in respect of our business operations.

STRATEGIC PARTNERS

As on the date of filing of this Red Herring Prospectus, our Company does not have any strategic partners.

FINANCIAL PARTNERS

Apart from the various arrangements with bankers and financial institutions which our Company undertake in the ordinary course of business, our Company does not have any other financial partners as on the date of this Red Herring Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

As on the date of this Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions / banks.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details of key products launched by our Company, entry into new geographies or exit from existing markets, see "Our Business" on page 103.

OUR MANAGEMENT

The Articles of Association require our Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Red Herring Prospectus, our Board comprises of 5 (five) Directors, including two Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Red Herring Prospectus:

Board of Directors

Name, Designation, Address, Occupation, Nationality, Date of birth, Term, Period of directorship and DIN	Age (in years)	Other directorship
Name: Deepak Garg **Designation:** Chairman and Managing Director **Address:** 107, Homeland enclave, Goniana Road, Bathinda, Punjab - 151001 **Occupation:** Business **Nationality:** Indian **Date of Birth:** June 16, 1976 **Current term:** Term of 5 years from March 9, 2021, liable to retire by rotation **Period of directorship:** Appointed as the first director on incorporation i.e. June 23, 1997. Post resignation on December 27, 2010 he was appointed as additional Director on August 26, 2014 regularised as Non-executive Director on September 30, 2014 and re-appointed as Managing Director on March 9, 2021. **DIN:** 00843929	45	***Indian companies:*** **Public companies:** Nil **Private companies:** AB Cotton Textiles Private Limited DRML Buildwell Private Limited ***Foreign companies*** Nil **Limited Liability Partnership:-** Nil
Name: Manohar Lal* **Designation:** Whole Time Director **Address:** 107, Homeland enclave, Goniana Road, Bathinda, Punjab - 151001 **Occupation:** Business **Nationality:** Indian **Date of Birth:** June 24, 1944 **Current term:** Term of 5 years from March 9, 2021, liable to retire by rotation **Period of directorship:** Appointed as the first director on incorporation. Post resignation on December 15, 2010 he was appointed as additional Director on August 01, 2018 regularised as Executive Director on September 29, 2018 and re-appointed as Whole Time Director on March 9, 2021. **DIN:** 02406686 ****His name in the Aadhar card is Manoharlal garg whereas in the PAN card it is noted as Manohar lal, however it has confirmed that both names belongs to him by an affidavit and for the purpose of IPO the name to be considered is 'Manohar lal'***	77	***Indian companies*** **Public companies:** Nil **Private companies:** AB Cotton Textiles Private Limited ***Foreign companies*** Nil
Name: Ramesh Kumar **Designation:** Non-Executive Director **Address:** 681 C 2, Wadi wali Gali, Ward No. 47, Amrik Singh Road, Bathinda, Bathinda ityPunjab 151005. **Occupation:** Service **Nationality:** Indian **Date of Birth:** May 07, 1964 **Current term:** Liable to retire by rotationx **Period of directorship:** Appointed as additional director on March 2, 2020 which has been regularized on December 31, 2020.	57	***Indian companies*** **Public companies:** Nil **Private companies:** DRML Buildwell Private Limited ***Foreign companies*** Nil

DIN: 07684009		
Name: Preet Kamal Kaur Bhatia **Designation:** Independent Director **Address:** 152, Golden Avenue, Near Har Krishan Public School, Amritsar, Punjab - 143001 **Occupation:** Professional **Nationality:** Indian **Date of Birth:** March 20, 1982 **Current term:** Term of 5 years from March 09, 2021 **Period of directorship:** Since March 09, 2021. **DIN:** 07070977	39	***Indian companies*** **Public companies:** J T L Infra Limited Chetan Industries Limited **Private companies:** Nil ***Foreign companies*** Nil
Name: Puneet Bhandari **Designation:** Independent Director **Address:** Flat No-10, First Floor, Tower-3, Homeland Heights, Opposite Sohana Gurudw Mohali, Punjab - 160071 **Occupation:** Professional **Nationality:** India **Date of Birth:** September 18, 1982 **Current term:** Term of 5 years from March 09, 2021 **Period of directorship:** Since March 09, 2021. **DIN:** 03625316	39	***Indian companies*** **Public companies:** Nil **Private companies** Nature Health Biosciences Private Limited Ab Cotton Textiles Private Limited Legal Solutions Solicitors Private Limited NRI Estates Private Limited ***Foreign companies*** Nil

Except as disclosed below none of our Directors are related to each other or to any of the KMPs as per the definition "Relative" under the Companies Act, 2013.

Name of Director	Name of Other Director	Relationship
Deepak Garg	Manohar lal	Father - Son

None of our directors are on the RBI List of wilful defaulters as on the date of the RHP.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.

None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s) during his / her tenure in that Company(ies).

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on any of the stock exchange(s) during his / her tenure in that Company(ies).

None of the Promoters, Directors or persons in control of our Company, have been or are 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 the SEBI.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of Directors of our Company.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the abovementioned Directors was selected as director or member of senior management.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

Brief Profile of the Directors

Deepak Garg, aged 45 years, is the Chairman and the Managing director of our company. He has been on Board as the first director of our company; post resignation on December 27, 2010 he was then appointed as additional Director on August 26, 2014 and regularised as Non-executive Director on September 30, 2014. Currently he has been re-appointed as Managing Director on March 9, 2021 and Chairman on April 7, 2021. He holds Bachelors of Commerce degree from Govt. Rajindra College, Bathinda. He has been asscociated with the Company since incorporation as first director and also as subscriber to the MOA. He looks after the overall Operation, Business of the Company including technical operations, strategy and marketing plans of the Company.

Manohar lal , aged 77 years, is the Whole Time Director of our Company. He has been on Board as the first director of our Company; post resignation on December 15, 2010 he was then appointed as additional Director on August 01, 2018 and regularised as Executive Director on September 29, 2018. Currently he has been re-appointed as Whole Time Director on March 9, 2021. He does not have a formal education degree, however he has industry exposure that's why even at the age of 76 he is asscociated with the Company as whole time director. He has been asscociated with the Company since incorporation as first director and also as subscriber to the MOA. He is responsible for Procurement and Marketing operations of the Company**.**

Ramesh Kumar, aged 57 years, is the Non Executive Director of our Company. He was appointed as additional director of our Company on March 2, 2020 which has been regularized on December 31, 2020.Though he is a NED, he provides guidance to the Company. He does not have a formal education degree.

Preet Kamal Kaur Bhatia, aged 39 years, is an Independent Director of our Company. She has been appointed as Independent director of our company on March 09, 2021. She is a fellow member of the Institute of Chartered Accountant of India and has also qualified DISA. She has an overall experience of more than 10 years in the field of Finance and Audit. Presently she is a Practising chartered Accountant and runs a firm in the name of M/S. Preet Kamal & Co.

Puneet Bhandari, aged 39 years, is an Independent Director of our Company. He has been appointed as Independent director of our company on March 09, 2021. He holds Bachelor of Arts, from L.R.D.A.V. College, Jagraon, Punjab University Chandigarh.. He also holds LLB degree from Institute of Laws, Punjab University Regional Centre, Ludhiana, India and LLM degree, majored in Intellectual Property Law and International Commercial Law, from University of Hertfordshire, Hatfield, U.K.. He has an overall experience of more than 10 years in the field of Legal Consultancy and Liaising. He is providing business legal consultancy, presently is an Advocate and Solicitor in the High Court of Punjab and Haryana and representss Union of India as their Senior Panel Counsel. He is also astanding counsel for Punjab Local Government, Punjab Wakf Board, PSPCL, PPCB, PAIC, FCI and BSNL.

Borrowing Powers

Pursuant to a special resolution passed at an annual general meeting of our Company held on August 25, 2020 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, our Board has been authorised to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 10,000.00 lakhs. (Ten thousand Lakhs)

Compensation of Managing Director and Whole-Time Director

We have not entered into any service agreement with the Managing Director, Deepak Garg and Whole-Time Director, Manohar lal. However, the terms and conditions, relating to remuneration and appointment of Deepak Garg and Manohar lal are set out in the board resolution dated March 09, 2021 and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Article of Association of the Company.

The details of remuneration of the Managing Director:

Deepak Garg, Chairman and Managing Director

Particulars	Remuneration (in ₹)
Gross Salary	Upto ₹ 20.00 Lakhs per annum
Reimbursement of travelling and all other Expenses incurred	

The details of remuneration of the Whole Time Directors:

Manohar lal , Whole-Time Director

Particulars	Remuneration(in ₹)
Gross Salary	Upto ₹ 10.00 Lakhs per annum
Reimbursement of travelling and all other Expenses incurred	

Payment of compensation or benefit to Non-Executive and Independent Directors of our Company

Non-Executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

The compensation/sitting fees/other remuneration paid to our current Directors for the financial year March 2021 are as follows:-

Sr. No.	Name of the Director	Amount (in ₹)
1.	Deepak Garg	13,20,000
2.	Manohar lal	4,80,000
3.	Ramesh Kumar	3,72,000
4.	Preet Kamal Kaur Bhatia	Nil
5.	Puneet Bhandari	Nil

****Appointed as Independent director with effect from March 31, 2021.***

The abovementioned remuneration and perquisites are subject to the ceiling/provisions laid down in Sections 197 and Schedule V of the Companies Act and such all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and with the approval of the Central Government.

Except as stated in this RHP, no amount or benefit has been paid by our Company within the two preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and key management personnel.

Further, our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Management Personnel, are entitled to benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Directors and Key Management Personnel, are entitled to any benefit upon termination of employment or superannuation.

Our Company does not have any bonus or profit-sharing plan for its Directors.

There is no contingent or deferred compensation payable to our Directors.

Shareholding of the Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our Company. The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

Name of the Director	No. of Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
Deepak Garg	30,77,100	41.53%	29.90%
Manohar Lal	21,240	0.29%	0.21%

Interest of Directors

Our directors are interested in our Company in the following manner:-

All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association;

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;

(a) Deepak Garg, Manohar Lal, and Ramesh Kumar have extended personal guarantees for securing the repayment of bank loans obtained by our Company from our lenders, and may deemed to be interested to that extent;

(b) All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations, ;

(c) Our directors have no interest in any property acquired by our Company or proposed to be acquired by our Company as of date of this Red Herring Prospectus.

(d) Except Deepak Garg, Manohar Lal and Ramesh Kumar none of our Directors have any interest in the promotion of our Company, as on the date of this Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or qualify him/her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors.

No loans have been availed by our Directors from our Company as on date of this filing of this Red Herring Prospectus.

Except as stated above and under the headings "Restated Financial Information –Related Party Transaction" , under the section titled "Financial Information" beginning on page 144 , we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this RHP in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:-

Sr. No.	Name	Date of Appointment/ change/Resignation	Reason
1	Mr. Parush Goyal	July 27, 2018	Resigned from the position of Director.
2	Mr. Abhay Jindal	July 27, 2018	Appointment as Additional Director
3	Manohar lal	August 1, 2018	Appointment as Additional Director and thereafter regularized as Executive Director
4	Ramesh Kumar	August 1, 2018	Resigned from the position of Director
5	Ramesh Kumar	September 03, 2018	Appointment as Additional Director thereafter regularized as Non Executive Director
6	Mr. Abhay Jindal	September 06, 2018	Resigned from the position of Director.
7	Aakriti Garg	November 09, 2019	Appointment
8	Ramesh Kumar	January 13, 2020	Resigned from the position of Director.
9	Ramesh Kumar	March 02, 2020	Appointment as additional Director and regularization as Non Executive Director

10	Aakriti Garg	March 04, 2020	Resigned from the position of Director.
11	Deepak Garg	March 09, 2021	Re-Appointed as Managing Director
12	Manohar lal	March 09, 2021	Re- Appointed as Whole Time Director
13	Preet Kamal Kaur Bhatia	March 09, 2021	Appointed as an Additional Director and thereafter regularized as Independent Director
14	Puneet Bhandari	March 09, 2021	Appointed as an Additional Director and thereafter regularized as Independent Director

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchange and the applicable regulations of SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchange, the SEBI Listing Regulations and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

Our Board of Directors is constituted in compliance with the Companies Act, Listing Agreement to be executed with Stock Exchange, the SEBI Listing Regulations to the extent applicable. Our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Committee of the Board in accordance with the SEBI Listing Regulations

Board Committees

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

a) Audit Committee;

b) Nomination and Remuneration Committee

c) Stakeholders Relationship Committee

d) IPO Committee

Audit Committee

Audit Committee was constituted vide Board Resolution dated April 26, 2021. The existing Audit Committee of our Company comprises of the following: -

(i) Puneet Bhandari, Chairman;

(ii) Ramesh Kumar, Member; and

(iii) Preet Kaur Bhatia, Member;

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
    i. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    ii. changes, if any, in accounting policies and practices and reasons for the same;
    iii. major accounting entries involving estimates based on the exercise of judgment by management;
    iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions;

vii. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer documents, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence, performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors any significant findings and follow up there on;

15. Reviewing 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;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

17. 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;

18. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

19. 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;

20. To investigate any other matters referred to by the Board of Directors;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall mandatorily review the following information:

a. Management discussion and analysis of financial information and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

f. Statement of deviations:

(1) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
(2) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted vide Board Resolution dated April 26, 2021. The members of the Nomination and Remuneration Committee are: -

(i) Puneet Bhandari , Chairman;

(ii) Ramesh Kumar, Member; and

(iii) Preet kamal Kaur Bhatia , Member;

The role of the Nomination and Remuneration Committee shall be as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. 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 their appointment and removal.

Stakeholders Relationship Committee

Stakeholders Relationship Committee was constituted vide the Board meeting held on April 26, 2021. The members of the Stakeholders Relationship Committee are:

(i) Ramesh Kumar, Chairperson;

(ii) Deepak Garg, Member;

(iii) Puneet Bhandari, Member.

The role of the Stakeholders Relationship Committee shall be as follows:

i. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures, if any;
ii. Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
iii. Reviewing on a periodic basis the approval/ refusal of transfer or transmission of shares, debentures or any other securities;
iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
v. Allotment and listing of shares;
vi. Reference to statutory and regulatory authorities regarding investor grievances; and
vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
viii. Any other power specifically assigned by the Board of Directors of the Company

IPO Committee

IPO Committee was constituted vide Board Resolution dated April 26, 2021. The members of the IPO Committee are: -

(i) Deepak Garg - Chairman;

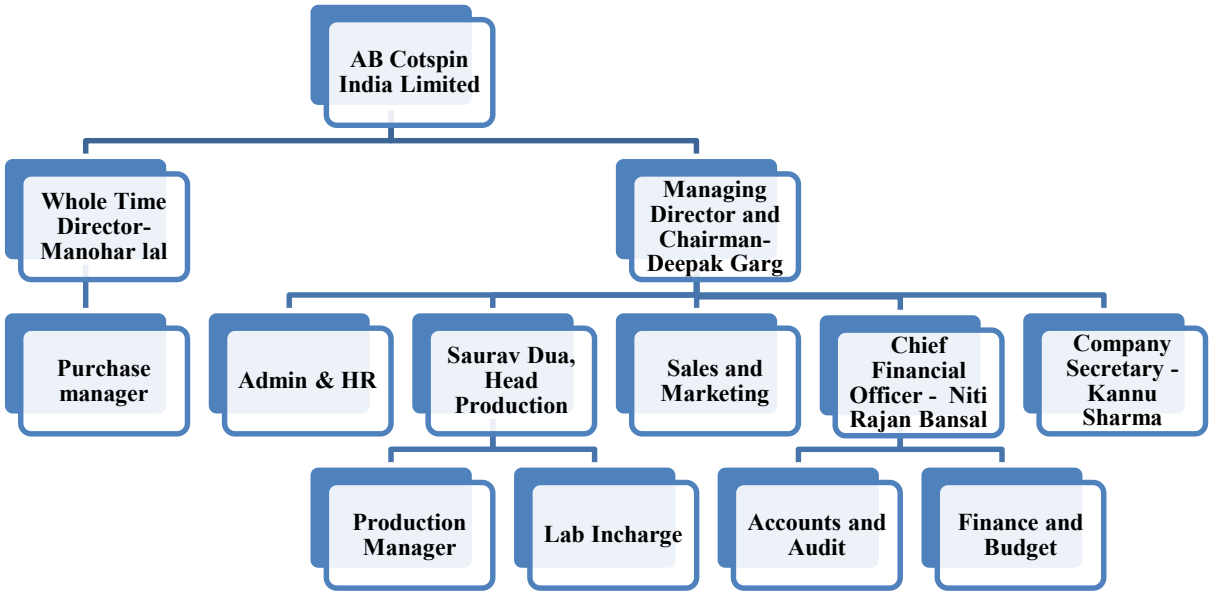
(ii) Ramesh Kumar – Member;

(iii) Puneet Bhandari- Member.

The IPO Committee exercises powers in relation to the matters listed below:

1. the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalization and filing of the Red Herring Prospectus and this Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
2. handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
3. deciding on allocation of the equity shares to specific categories of persons;
4. opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
5. determining and finalizing the price band, bid opening and closing date of this Issue, approving and finalizing the 'Basis of Allocation';
6. determining the price at which the Equity Shares are to be offered to the investors;
7. settling difficulties and doubts arising in relation to the IPO;
8. empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
9. carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

Management Organizational Structure



Key Management Personnel

In addition to Deepak Garg and Manohar lal , whose details have been provided above, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as on the date of this Red Herring Prospectus are set forth below:

Niti Rajan Bansal, aged 44 years, is the Chief Financial Officer of our Company. He has been appointed as CFO of the Company w.e.f. February 08, 2021. He holds a Degree of Bachelors of Commerce from, Govt. Rajindra college, Bathinda. He also holds a degree of Chartered Accountant from The Institute of Chartered Accountants and CPA (USA) in 2008. Prior to joining our Company, he worked with Vishav Jyoti Mahajan & Co., HIL (India) Ltd. He joined our Company in Financial 2020-21.

Kannu Sharma, aged 27 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary and compliance officer w.e.f. April 19, 2021. She has completed a degree of Bachelors of Commerce from Delhi university. She was associated as the Management trainee with Tarun Jain & Associates, having exposure in Secretarial and Corporate Affairs. She joined our Company in Financial 2021-2022 and has therefore, not received any compensation for the Financial Year 2020-2021.

Shareholding of 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 Red Herring Prospectus.

Name of the Director	No. of Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
Deepak Garg	30,77,100	41.53%	29.90%
Manohar Lal	21,240	0.29%	0.21%

Notes:

1. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the abovementioned Key Managerial Personnel have been recruited.
3. As on the date of filing of this RHP, our Company does not have a performance linked bonus or a profit sharing plan with the Key Managerial Personnel.
4. There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.
5. No non-salary-related payments or benefits have been made to our key management personnel based on targets achieved and general performance.
6. Our Key Managerial Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. No officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Changes in the Key Management Personnel during last three years:

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name of KMP	Designation	Date of Appointment/ Change/Resination	Reasons
1.	Manohar Lal	Executive Director	August 1, 2018	Appointment
2.	Manohar Lal	Whole Time Director	March 09, 2021	Re-designation
3.	Deepak Garg	Managing Director	March 09, 2021	Re-designation
4.	Niti Rajan Bansal	CFO	February 8, 2021	Appointment
5.	Pallavi Pathanaiya	Company Secretary	February 27, 2021	Appointment
6.	Pallavi Pathanaiya	Company Secretary	April 17, 2021	Resignation
7.	Kannu Sharma	Company Secretary	April 19, 2021	Appointment

Interest of Key Management Personnel

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business.

No loans have been availed by the Key Management Personnel from our Company as on date of this filing of this Red Herring Prospectus.

Employee stock option and stock purchase schemes

As on date of this Red Herring Prospectus, our Company does not have any employee stock option and stock purchase schemes.

Payment or Benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Deepak Garg and Pooja Garg. As on date of this Red Herring Prospectus our Promoters together hold 34,22,100 Equity Shares, representing 46.19% of the issued, subscribed and paid-up capital of our Company. For details, please see the section titled "*Capital Structure–Build-up of the Promoters' shareholding in our Company*" beginning on page 63.

DETAILS OF OUR PROMOTERS



Deepak Garg, Promoter, Chairman and Managing Director

Deepak Garg, aged 45 years, is our Promoter Chairman and Managing Director.

Date of Birth: June 16, 1976
PAN: AEQPG0930H
Aadhar Card No.: 3191 1913 1165
Driving License No.: PB-0320060091917
Residential Address: 107, Homeland Enclave, Goniana Road, Bathinda, Punjab 151001

For the complete profile of Deepak Garg along with details of his, educational qualification, experience in the business, positions/posts held in past, directorship, special achievements, business and financial activities, see "*Our Management*" on page 126.



Pooja Garg, Promoter

Pooja Garg, aged 43 years, is our Promoter. She holds a Masters of Arts (English) from Kurukshetra University, Meerut. She started her career with our company and has an experience of about three years in the administration department of the company.

Date of Birth: February 08, 1978
PAN: AFLPG7626J
Aadhar Card No.: 3157 7795 5198
Driving License No.: PB03 20170142535
Residential Address: 107, Homeland Enclave, Goniana Road, Bathinda, Punjab 151001

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus.

Other ventures of our Promoters

Except for the Companies/Entities as set out in this chapter under heading "Promoter Group" and the chapter titled "Our Management" on page 126, our Promoters are not involved with any other venture, as a shareholder/stakeholder, proprietor, partner, promoter or director.

Change in control of our Company

There has been no change in control of our Company during five years immediately preceding the date of filing of this Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their directorship in our Company,(if any); (iii) to the extent of their shareholding (if any) and the shareholding of their relatives, as applicable; (iv) the dividends payable thereon; and (v) other distributions in respect of the Equity Shares held by them. For details on shareholding of our Promoters in our Company, see *"Capital Structure – Build-up of the Promoters'" for the shareholding in our Company"* on page 63.

Our Promoter, Deepak Garg is the Chairman and Managing Director and KMP of our Company and Pooja Garg overlooks after the administration department of the company and thus they both may be deemed to be interested to the extent of remuneration/salary, benefits, commission and reimbursement of expenses payable to them in such capacity, if any. For further details, see "Our Management" beginning on page 126.

Further, our Promoter(s) are also shareholders and directors on the boards of our Group Companies, (if any) and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities in which our promoters or members of promoter group have significant influence. For details, see "Restated Financial Information – Note 31 - Related Party Transaction" under the section titled *"*Financial Information*"* on page 144 of this RHP.

For further details of interest of our Promoter(s) in our Company, see "Financial Statements" on page 144.

Except as disclosed in this section and in *"Financial Statements",* our Promoters do not have any interest whether direct or indirect in any property acquired by our Company, within three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc. However the Registered office of our Company located at 176, Homeland Enclave, Bathinda, Punjab-151001, India , and one Shop cum godown at Bhupa Singh wali Gali, Goniana Mandi,Distt. Bathinda, Punjab-151202 is owned by one of our promoter, Pooja Garg. For further details, see "Our Business" beginning on page 103.

Our Promoters are not interested as members of a firm or company (other than our Company), and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become, or qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Our Promoter, Deepak Garg is interested to the extent of his shareholding and directorship in A B Cotton Textiles Private Limited that is involved in activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when it arises.

Our Promoter, Deepak Garg has given personal guarantees towards financial facilities availed by our Company therefore, are interested to the extent of the said guarantees. Further Unsecured Loans repayable on demand have been taken from Promoters and Promoter Group in order to suffice the stipulations laid down by the Banker, hence our Promoters, Deepak Garg have extended unsecured loan to our company to the tune of ₹ 7.28 lakhs as on June 30, 2021, and may deemed to be interested to that extent. Also members of our promoter group viz. AB Cotton Textiles Private Limited and Manohar lal have also extended unsecured loan to our company to the tune of ₹77.50 lakhs and ₹1.00 lakhs as on June 30,2021, respectively and our promoters may deemed to be interested to that extent. For further details of guarantee provided by our Promoter in respect of loan availed by our Company and unsecured loan given by them and members of promoter group to the Company, see "Financial Indebtedness " on page 166 and Restated Financial statements on page 144.

Payment or benefits to our Promoters or Promoter Group

Except as stated in this section, "Our Management" and "Financial Statements" on pages 126 and 144 respectively, there has been no payment of benefits made to our Promoters or members of our Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group, other than in the ordinary course of business.

Our Company has not entered into any contract, agreements or arrangements during the two years immediately preceding the date of this Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payment has been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any companies or firms during the three years preceding the date of filing of this Red Herring Prospectus

Confirmations

Neither our Promoters nor any of the entities with which they are associated as promoters have been identified as wilful defaulters as defined under the SEBI ICDR Regulations. As on the date of this Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in

capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Material Guarantees given by our Promoters

Other than for certain loans availed by our Company, for which our Promoters, have provided personal guarantees towards security, as of the date of this Red Herring Prospectus, no material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company, as on the date of this Red Herring Prospectus.

For further details of guarantee provided by our Promoter in respect of loan availed by our Company and unsecured loan given by them to the Company, see "Financial Indebtedness " on page 166 and Restated Financial statements on page 144

Promoter Group

In addition to our Promoters, the individuals and entities forming part of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

A. *Natural persons who are forming part of Promoter Group*

The natural persons who are part of the Promoter Group (due to their relationship with our Individual Promoters), other than our Promoters, are as follows*:*

Relationship with Promoters	**Deepak Garg**	**Pooja Garg**
Father	Manohar Lal	Darshan Lal Bansal
Mother	Shimla Devi	Kanta Bansal
Brother	Ram Dayal Garg*	Gunjan Bansal
Sister	Kamlesh Singla	-
	Parvesh Bansal	
	Seema Garg	
Spouse	Pooja Garg	Deepak Garg
Son	Harshdeep Garg	Harshdeep Garg
Daughter	Dia Garg	Dia Garg
Spouse's Father	Darshan Lal Bansal	Manohar Lal
Spouse's Mother	Kanta Bansal	Shimla Devi
Spouse's Brother	Gunjan Bansal	Ram Dayal Garg*
Spouse's Sister	-	Kamlesh Singla
		Parvesh Bansal
		Seema Garg

*******An exemption application dated dated February 10, 2021, March 05, 2021 and March 25, 2021 under Regulation 300 of the SEBI ICDR Regulations was submitted to SEBI seeking an exemption from considering and disclosing (i) Ram Dayal Garg as a member of the 'promoter group' of the Company,(ii) any body corporate in which Ram Dayal Garg or any Hindu undivided family or firm where he is a member, may hold 20% or more of the equity share capital, (iii) any body corporate in which the body corporate mentioned under (ii) above holds 20% or more of the equity share capital, (iv) any Hindu undivided family or firm in which Ram Dayal Garg may hold 20% or more of the total capital in accordance with the SEBI ICDR Regulations.*

SEBI vide its letter dated March 30, 2021 has granted exemption under Regulation 300(1) of SEBI ICDR Regulations, 2018 for inclusion of details of promoter group member as per regulation 2(1)(pp) of SEBI ICDR Regulations 2018 in the Offer Documents.

B. *Entities forming part of Promoter Group*

i. Deepak Garg and Sons HUF.
ii. AB Cotton Textiles Private Limited. (Erstwhile known as AB Cottex Private Limited)
iii. DRML Buildwell Private Limited

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of 'Group Companies', our Company has considered i) Companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our Restated Financials) for the last three financial years ending on March 2021, 2020 and 2019 and stub period for Three months ending on June 30, 2021, in respect of which, Restated Financial Statements are included in this Red Herring Prospectus) and ii) such other companies as per the material policy adopted by our Board.

In respect of (ii) above, our Board, in its meeting dated April 26, 2021 decided, that a company shall be considered as a Material /Group Company if: (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the net worth of our Company for the last audited financial year and/or Stub period; (ii) where our Company has entered into one or more transactions with such company in the last audited financial year and/or stub period, cumulatively exceeding 10% of the total revenue of our Company for the last audited financial year and/or Stub period ; and (iii) any other company which the Board may decide to consider material.

As on the date of the Red Herring Prospectus, based on the above, AB Cotton Textiles Private Limited is our Group Company.

1. AB Cotton Textiles Private Limited **("ACTPL")**

Corporate Information

AB Cotton Textiles Private Limited was incorporated as a private limited company under the Companies Act, 2013 on December 30, 2020. The Corporate Identity Number of ACTPL is U17299PB2020PTC053794. The name of the company has been changed from AB Cottex Private Limited to AB Cotton Textiles Private Limited with effect from March 18, 2021. Its registered office is situated at 176, Homeland Enclave, Bathinda Punjab- 151001.

Nature of Activities

In accordance with the provisions of the objects clauses of Memorandum of Association, ACTPL is permitted to carry on the business of trading, manufacture and deal in textile products.

Financial Performance

The financial information derived from the audited financial results of ACTPL for the Financial Year 2020-21 is mentioned as below, for the previous two years financials are not available as the company was incorporated on December 20, 2020.

(*in ₹ lakh except per share data)*

Particulars	March 31, 2021
Equity share capital	1.00
Reserves and surplus (excluding revaluation reserves)	0.08
Sales/ revenue from operations	-
Profit after tax	0.08
Basic earnings per share (face value of ₹ 10 each)	0.89
Diluted earnings per share (face value of ₹ 10 each)	0.89
Net asset value (per share)	10.89

There are no significant notes by the auditors of ACTPL in relation to the above mentioned financial statements.

Website Address for Corporate and Financial Information - https://abcotspin.com/

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous financial year, extracted from their respective audited financial statements (as applicable) are available at our company website under the tab group company as indicated above. These are collectively referred to as the "Group Company Information".

Our Company is providing link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the website given above should not be relied upon or used as a basis for any investment decision.

Neither our Company nor our BRLM nor any of the Company's or BRLM's, respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the website.

Litigation

For details, see "Outstanding Litigation and Material Developments – Litigations involving Group Companies" which has a material impact on our Company on page 169 of the RHP.

Common pursuits

ACTPL is permitted to carry on business activities, similar to that of our Company pursuant to the provisions of its memorandum of association. The board of directors of our company and our group company shall take appropriate steps to ensure that a conflict of interest situation does not arise while pursuing such opportunities.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Related party transaction*" there are no other related party transactions that have been entered into between our Group Company and our Company.

Nature and extent of interests of our Group Companies

Our Group Company do not have any interest in the promotion of our Company.

Our Group Company are not interested in the properties acquired by our Company since the incorporation of our group company or proposed to be acquired by our Company. However we share our registered office space with our Group company for its usage as registered office by mutual understanding.

Except as disclosed under *"Financial Statements"* on page 144, Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Business interests or other interests

Except as disclosed in "*Related party transaction*" our Group Company do not have any business interest in our Company and does not have impact on the financial performance of our company.

Other Confirmations

Our Group Company do not have any securities listed on a stock exchange. Accordingly they have not made any public or rights issue of securities (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Red Herring Prospectus.

Further, neither the securities of our Company or our Group Company have been refused listing by any of the stock exchange in India or abroad during the last ten years, nor has our Company or our Group Company have failed to meet the listing requirements of any of the stock exchange in India or abroad.

RELATED PARTY TRANSACTIONS

For details on related party transactions please refer to *Note 31* – Related Party Transactions of Restated Financial Statements under the section titled, "*Financial Statements*" beginning on page 144 of this Red Herring Prospectus.

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DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not declared or paid any dividend during the last three financial years ending on March 2021, 2020 and 2019 and the stub period ending on June 30,2021 till the date of this RHP.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company. We may/ may not retain all our future earnings, if any, for use in the operations and expansion of our business. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among other, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

SECTION VI – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS

Sr. No.	Details	Page. No.
1	Restated Financial Statements	F-1 to F-49

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Shiv Jindal & Co.
Chartered Accountants

#137, 1st Floor, Veer Colony
Bathinda-151001 (Punjab)
0164-2255937, 94170-55937
Email Id:shivkjindal@yahoo.com

INDEPENDENT AUDITOR'S EXAMINATION REPORT ONRESTATED FINANCIAL STATEMENTS

The Board of Directors
A B Cotspin India Limited
176 Homeland Enclave, Bathinda,
Punjab-151001

Dear Sirs,

1. We have examined the attached Restated Financial Statements of A B Cotspin India Limited (the "Company" or the "Issuer") comprising the Restated Balance Sheet as at 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019 the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the three months period ended 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on 28th October 2021for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act").

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Ltd. (the "Stock Exchange") and Registrar of Companies, Chandigarh in connection with the proposed IPO. The Restated Financial Statements has been prepared by the management of the Company on the basis of preparation stated in note 1 to the Restated Financial Statements. The Company's Board of Directors responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors are also responsible for identifying and ensuring that Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 05th October 2021 in connection with the proposed IPO of equity shares of the Company.

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and

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d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Statements have been compiled by the management from:

a) Audited Special Purpose Interim Financial Statements of the Company for the three-month period ended 30th June 2021 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on 28th October 2021.

b) Audited Financial Statements of the Company as at and for the year ended 31st March 2021, which were prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 06th September 2021.

c) Audited Financial Statements of the Company as at and for the year ended 31st March 2020, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meeting held on 12th October 2020. The Management of the Company has adjusted financial information for the year ended 31st March 2020 included in such Indian GAAP financial statements using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the financial statements for the year ended 31st March 2021 as referred to in para 4(b) above;

d) Audited Financial Statements of the Company as at and for the year ended 31st March 2019, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on 05th September 2019. The proforma restated statements for the year ended 31st March 2019 have been prepared by the Management from the Audited Financial Statements for the year ended 31st March 2019 prepared under Indian GAAP and have been adjusted as described in Note 40 to the Restated Financial Statements to make them compliant with recognition and measurement under Ind AS.

5. For the purpose of our examination, we have relied on:
   a) Auditors' reports issued by us dated 28th October 2021, 06th September 2021, 13th October 2020, and 05th September 2019 respectively on the financial statements of the Company as at and for the three months period ended 30th June 2021 and as at and for the year ended 31stMarch 2021, 31st March 2020, and 31st March 2019as referred in Paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us we report that the Restated Financial Statements:

a) have been prepared after incorporating adjustments for the changes (if any) in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2021, 31st March 2020, and 31st March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended 30th June 2021.

Shiv Jindal & Co.
Chartered Accountants

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Email Id:shivkjindal@yahoo.com

b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31st March 2019 as described in Note 40 to the Restated Financial Statements.

c) do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 7 below; and

d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. There were no modifications to the audit reports on the financial statements issued by us as at and for the years ended 31st March 2021, 31st March 2020, and 31st March 2019.

8. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim Ind AS financial statements and audited financial statements mentioned in paragraph 4above.

9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, NSE SME and Registrar of Companies, Chandigarh in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Shiv Jindal & Co.
Chartered Accountants
Firm's Registration Number: 011316N

Shiv K. Jindal
Partner
Membership Number: 090090
UDIN: 21090090AAAAIX6685

Place: Bathinda
Date: 28th October 2021

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED BALANCE SHEET

S. No.	Particulars	Note No.	As at 30th June 2021	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019 Proforma
			Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
	ASSETS					
I	**NON-CURRENT ASSETS**					
	(a) Property, Plant and Equipment	2	2,503.29	2,484.55	2,212.79	2,410.43
	(b) Capital work-in-progress	2A	69.42	-	-	-
	(c) Other Intangible Assets	2B	-	-	-	-
	(d) Deferred Tax Assets (Net)	3	-	-	-	-
	(e) Financial Assets		-	-	-	-
	(i) Investments	4	1.31	1.17	0.81	0.87
	(ii) Other Financial Assets	5	111.84	111.75	103.88	37.37
	(f) Other Non Current assets	6	235.46	6.14	-	-
	TOTAL NON CURRENT ASSETS		**2,921.32**	**2,603.61**	**2,317.48**	**2,448.66**
II	**CURRENT ASSETS**					
	(a) Inventories	7	2,815.84	2,824.59	1,893.19	1,920.50
	(a) Financial Assets					
	(i) Trade receivables	8	1,261.68	724.09	900.10	942.31
	(ii) Cash and Cash Equivalents	9	0.93	6.70	6.15	63.64
	(iii) Bank Balances Other than Cash and Cash Equivalents	9A	1.90	1.89	1.78	3.53
	(iv) Loans	10	-	-	-	-
	(v) Other Financial Assets		-	-	-	-
	(c) Other Current Assets	11	182.62	208.78	157.48	126.20
	TOTAL CURRENT ASSETS		**4,262.97**	**3,766.05**	**2,958.69**	**3,056.18**
	TOTAL ASSETS (I+II)		**7,184.29**	**6,369.66**	**5,276.18**	**5,504.84**
	EQUITY AND LIABILITIES					
	EQUITY					
	(a) Equity Share Capital	12	760.42	266.54	266.54	266.54
	(b) Other Equity	13	1,762.05	1,916.55	1,528.57	1,454.91
III	**Total Equity**		**2,522.47**	**2,183.09**	**1,795.11**	**1,721.45**
	LIABILITIES					
IV	**NON-CURRENT LIABILITIES**					
	(a) Financial Liabilities					
	(i) Borrowings	14	1,076.89	1,324.06	712.47	1,115.43
	(ia) Lease Liabilities					
	(ii) Other Financial Liabilities					
	(b) Other Non-Current Liabilities		-	-	-	-
	(c) Provisions	19	45.80	50.16	33.70	18.06
	(d) Deferred Tax Liabilities (Net)	3	113.58	124.42	79.40	65.69
	TOTAL NON- CURRENT LIABILITIES		**1,236.27**	**1,498.64**	**825.57**	**1,199.18**
V	**CURRENT LIABILITIES**					
	(a) Financial Liabilities					
	(i) Borrowings	15	2,799.35	2,284.41	2,198.54	2,277.75
	(ia) Lease Liabilities					
	(ii) Trade Payables	16				
	Dues to micro and small enterprises		17.94	-	-	-
	Dues to others		59.81	62.00	317.29	84.87
	(ii) Other Financial Liabilities	17	6.31	6.29	3.46	0.17
	(b) Other Current Liabilities	18	394.16	282.88	134.62	203.33
	(c) Provisions	19	147.99	52.35	1.59	18.09
	TOTAL CURRENT LIABILITIES		**3,425.55**	**2,687.93**	**2,655.49**	**2,584.21**
	TOTAL EQUITY AND LIABILITIES (III+IV+V)		**7,184.29**	**6,369.66**	**5,276.18**	**5,504.84**
	Significant Accounting Policies	1	-	-	-	-
	The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of Capitalisation					2- 42

As per our examination report of even date attached.
For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

Shiv K. Jindal
Partner
Membership No. 090090
UDIN: 21090090AAAAIX6685

Place : Bathinda
Date : 28th October 2021

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
Chief Financial Officer
PAN: AHTPB2201Q

Kannu Sharma
Company Secretary
PAN: LGPPS1148K

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED STATEMENT OF PROFIT AND LOSS

Sr. No.	Particulars	Note No.	For the three months period ended 30th June 2021	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019 Proforma
			Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
	INCOME					
I	Revenue From Operations	20	**3,049.74**	**11,536.49**	**9,411.44**	**12,094.50**
II	Other Income	21	3.75	20.28	16.67	11.63
III	**Total Revenue (I+II)**		**3,053.49**	**11,556.78**	**9,428.11**	**12,106.13**
IV	**EXPENSES**					
	Cost of Material Consumed	22	1,708.09	8,007.91	7,226.20	7,163.15
	Changes in Inventory	23	196.43	321.40	(422.42)	734.09
	Purchase of Stock in Trade		-	320.97	308.02	1,613.15
	Employees Benefit Expenses	24	183.68	606.33	531.35	499.74
	Finance Costs	25	69.92	212.33	191.62	279.18
	Depreciation and Amortisation Expenses	26	80.19	270.78	283.92	314.29
	Other Expenses	27	387.71	1,269.41	1,201.58	1,323.29
	Total Expenses (IV)		**2,626.03**	**11,009.11**	**9,320.27**	**11,926.89**
V	**Profit/(Loss) Before Exceptional Items Tax (III-IV)**		**427.46**	**547.66**	**107.84**	**179.24**
VI	Exceptional Items		**-**	**-**	**-**	**-**
VII	**Profit/(Loss) Before Tax (V-VI)**		**427.46**	**547.66**	**107.84**	**179.24**
VIII	**Tax expenses:**	28				
	Current Tax		108.49	154.97	41.90	61.10
	Deferred Tax		(13.25)	4.87	(9.84)	(14.88)
	Total Tax Expenses		**95.24**	**159.84**	**32.06**	**46.22**
IX	**Profit/(Loss) for the period (VII-VIII)**		**332.22**	**387.82**	**75.77**	**133.02**
X	**Other Comprehensive Income**					
	:-Items that will not be re-classified to profit and Loss					
	Net (Loss)/Gain on Fair Value of FVOCI of Investments		0.14	0.53	(0.06)	(0.13)
	Income Tax Effect thereon		(0.04)	(0.15)	0.02	0.04
	Re-measurement (Loss)/ Gain on defined Benefit Plans		9.43	(0.32)	(2.86)	1.55
	Income Tax Effect thereon		(2.37)	0.09	0.80	(0.43)
XI	**Total Other Comprehensive Income**		**7.16**	**0.15**	**(2.11)**	**1.02**
XII	**Total Comprehensive Income for the Year (IX+X)**		**339.38**	**387.97**	**73.67**	**134.04**
XIII	**Earnings per equity share (Par value ₹ 10/- each)***	29				
	(For continuing operation)					
	Restated Basic		4.48	5.24	1.02	1.80
	Restated Diluted		4.48	5.24	1.02	1.80
	Significant Accounting Policies	1				
	The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of Capitalisation					2- 42

* Basic and Diluted Earnings per share for the period of three months ended on 30th June 2021 is not annualised.

As per our examination report of even date attached.
For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

Shiv K. Jindal
Partner
Membership No. 090090
UDIN: 21090090AAAAIX6685

Place : Bathinda
Date : 28th October 2021

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
Chief Financial Officer
PAN: AHTPB2201Q

Kannu Sharma
Company Secretary
PAN: LGPPS1148K

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

RESTATED CASH FLOW STATEMENT

	Particulars	For the three months period ended 30th June 2021	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
					Proforma
		Rupees (₹)	Rupees (₹)	Rupees (₹)	Rupees (₹)
A	**CASH FLOW FROM OPEARTING ACTIVITIES**				
	Net Profit before tax	427.46	547.66	107.84	179.24
	Add:				
	Depreciation/Amortisation	80.19	270.78	283.92	314.29
	Provision for Gratuity	5.09	16.68	12.89	10.28
	Interest Expenses	69.42	202.87	189.18	273.65
	Loss (Profit) on sale of Fixed Assets/ Long Term Investments	-	(0.05)	2.25	(0.88)
	Less:				
	Operating (loss)/profit before Working Capital Changes	**582.16**	**1,037.94**	**596.07**	**776.57**
	Movements in working capital :-				
	(Increase)/ Decrease in Inventories	8.76	(931.41)	27.32	876.99
	(Increase)/ Decrease in Trade Receivables	(537.59)	176.01	42.22	(203.57)
	(Increase)/ Decrease in Other than Cash Bank Balances	(0.01)	(0.11)	1.75	6.85
	(Increase)/ Decrease in Other Receivables	26.16	(51.30)	(31.28)	9.09
	Increase/ (Decrease) in Trade Payables	31.81	(304.90)	232.43	(363.98)
	Increase/ (Decrease) in Other Current Liabilities	111.28	148.26	(68.71)	(51.66)
	Operating (loss)/profit after Working Capital Changes	**222.56**	**74.49**	**799.79**	**1,050.29**
	(Increase)/ Decrease in Non- Current Security Deposits	(0.09)	(7.87)	(66.51)	-
	(Increase)/ Decrease in Non- Current Prepaid Expenses	(1.48)	(3.14)	-	-
	Refund/(Payment) of Taxes (including TDS)	(12.87)	(64.65)	(34.16)	(38.97)
	Cash Generated from Operations	**208.13**	**(1.17)**	**699.12**	**1,011.32**
	Net Cash Flow from Operating Activities (A)	**208.13**	**(1.17)**	**699.12**	**1,011.32**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Sale of Property, Plant and Equipment	-	-	4.76	2.69
	Sale of Long Term Investments	-	0.23	-	-
	Amount spent on Capital WIP	(69.42)	-	-	-
	Purchase of Long Term Investments	-	-	-	-
	Capital Advances against Purchase of Fixed Assets	(227.84)	(3.00)	-	-
	Purchase of Fixed Assets	(114.99)	(492.93)	(93.29)	(52.68)
C	**Net Cash Flow from Investing Activities (B)**	**(412.25)**	**(495.71)**	**(88.53)**	**(49.99)**
	CASH FLOW FROM FINANCING ACTIVITIES				
	Add: Allotment of Shares (in Cash)	**-**	**-**	**-**	**-**
	Increase/(Decrease) of Long Term loan and borrowings	(247.15)	614.42	(399.67)	(695.80)
	Increase/(Decrease) of Short Term loan and borrowings	514.93	85.88	(79.22)	(111.98)
	Interest on Debentures and Loans Paid	(69.42)	(202.87)	(189.18)	(273.65)
	Net Cash Flow from Financing Activities ('C)	**198.36**	**497.43**	**(668.07)**	**(1,081.43)**
	Net Increase in Cash and Cash Equivalents(A+B+C)	**(5.77)**	**0.55**	**(57.49)**	**(120.09)**
	Cash and Cash Equivalents (Opening Balance)	6.70	6.15	63.64	183.72
	Cash and Cash Equivalents (Closing Balance)	**0.93**	**6.70**	**6.15**	**63.64**
	Cash and cash equivalents consist of Balance with Bank.	**0.93**	**6.70**	**6.15**	**63.64**

Notes: Indirect Method has been used for the preparation of Cash Flow Statement.

The accompanying notes form an integral part of these Restated Financial Statements. The above statements should be read with the company overview and significant accounting policies, Notes to the Restated Financial Statements, Restated Statements of Accounting Ratios and Restated Statement of Capitalization.

As per our examination report of even date attached.
For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Shiv K. Jindal
Partner
Membership No. 090090
UDIN: 21090090AAAAIX6685

Place : Bathinda
Date : 28th October 2021

Deepak Garg
Managing Director
DIN: 00843929

Niti Rajan Bansal
(Chief Financial Officer)
(PAN: AHTPB2201Q)

Manohar Lal
Director
DIN: 02406686

Kannu Sharma
(Company Secretary)
(PAN: LGPPS1148K)

A B COTSPIN INDIA LIMITED

(CIN: U17111PB1997PLC020118)

RESTATED STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

Particulars	As at 30th June 2021	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the reporting year	**266.54**	**266.54**	**266.54**	**266.54**
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated Balance at the beginning of the current reporting period	**266.54**	**266.54**	**266.54**	**266.54**
Changes in Equity Share Capital during the year	493.88	-	-	-
Balance at the end of the reporting year	**760.42**	**266.54**	**266.54**	**266.54**

(B) Other Equity

Particulars	Share Application on money pending allotment	Equity component of compund financial instruments	Reserve and Surplus						Money received against share warrants	Total
			Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	Debt instruments through OCI	Equity instruments through OCI		
Balance as at 01st April 2018	-	-	**76.80**	**925.83**	**-**	**402.51**	**-**	**-**		**1,405.14**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-		-
Restatement Adjustments -Prior period items						(15.41)				(15.41)
Restatement of Deferred Tax Asset/ Liability as on 01st April 2018	-	-	-	-	-	(68.87)		-		(68.87)
Restated Balance as at 01st April 2018	**-**	**-**	**76.80**	**925.83**	**-**	**318.23**	**-**	**-**		**1,320.87**
Addition during the year:										
Profit for the year			-	-	-	133.02	-	-		**133.02**
Add/Less: Other Comprehensive Income	-	-	-	-	-	-	-	1.02		**1.02**
Total Comprehensive Income	**-**	**-**	**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Dividends	**-**	**-**	-	-	-	-	-	-		**-**
Transfer to retained earnings	**-**	**-**	-	-	-	-	-	-		**-**
Balance as at 31st March 2019	**-**	**-**	**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Restated Balance as at 01st April 2019 as per Ind-AS	**-**	**-**	**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Changes in accounting policy or prior period errors										**-**
Restated Balance as at 01st April 2019	**-**	**-**	**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Addition during the year:	-	-	-	-	-	-	-	-		**-**
Profit for the year	-	-	-	-	-	75.77	-	-		**75.77**
Other comprehensive Income	-	-	-	-	-	-	-	(2.11)		**(2.11)**
Total Comprehensive Income	**-**	**-**	**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Dividends										
Transfer to general reserve	-	-	-	-	-	-	-	-		**-**
Balance as at 31st March 2020	**-**	**-**	**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Balance as at 01st April 2020	**-**	**-**	**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Changes in accounting policy or prior period errors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Restated Balance as at 01st April 2020	**-**	**-**	**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Addition during the period:	-	-	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Profit for the Year	-	-	-	**-**	**-**	**387.82**	**-**	**-**		**387.82**
Other Comprehensive Income	-	-	-	**-**	**-**	-	-	0.15		**0.15**
Total Comprehensive Income	**-**	**-**	**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**3,445.12**
Dividends	-	-	-	-	-	-	-	-		**-**
Transfer to General Reserve	-	-	-	-	-	-	-	-		**-**
Balance as at 31st March 2021	**-**	**-**	**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**1,916.55**

A B COTSPIN INDIA LIMITED

(CIN: U17111PB1997PLC020118)

RESTATED STATEMENT OF CHANGES IN EQUITY

Balance as at 01st April 2021	-	-	76.80	925.83	-	914.85	-	(0.93)		**1,916.55**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-		**-**
Restated Balance as at 01st April 2021	-	-	76.80	925.83	-	914.85	-	(0.93)		**1,916.55**
Addition during the period:	-	-	**-**	**(493.88)**	**-**	**-**	**-**	**-**		**(493.88)**
Profit for the Year	-	-	-	**-**	**-**	**332.22**	**-**	**-**		**332.22**
Other Comprehensive Income	-	-	-	**-**	**-**	**-**	-	7.16		**7.16**
Total Comprehensive Income	**-**	**-**	**76.80**	**431.95**	**-**	**1,247.07**	**-**	**6.23**		**1,762.05**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Transfer to General Reserve	**-**	**-**	-	-	**-**	-	**-**	-		**-**
Balance as at 30th June 2021	**-**	**-**	**76.80**	**431.95**	**-**	**1,247.07**	**-**	**6.23**		**1,762.05**

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

(i) **Capital Reserve**: Capital Reserves include Capital Subsidy received by the Company in earlier years.

(ii) **Securities Premium Reserve**: Securities premium is used to record the premium received on issue of shares. This reserve can be utilised in accordance with the

(iii) **Retained Earnings**: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(iv) **Equity Instruments though OCI**: Any changes in the Asset i.e. Investments due to change in Market Price of Investments and Changes in liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

As per our examination report of even date attached.

For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

Shiv K. Jindal
Partner
Membership No. 090090
UDIN: 21090090AAAAIX6685

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
Chief Financial Officer
PAN: AHTPB2201Q

Kannu Sharma
Company Secretary
PAN: LGPPS1148K

Place : Bathinda
Date : 28th October 2021

A B COTSPIN INDIA LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON RESTATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Corporate Information

AB COTSPIN LIMITED ("Company") is a Public Limited Company and was incorporated in 1997 with an objective of carrying on the business of Manufacturing and Trading of Yarns and other allied products. The Registered and Corporate Office of the Company is situated in Bathinda.

1.02 Basis of Preparation and Presentation of Restated Financial Statements

The Restated Financial Statements comprise of the Restated Balance Sheet as at 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019 (Proforma), the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the three months period ended 30th June 2021 and the years ended 31st March 2021, 31st March 2020 and 31st March 2019 (Proforma) and the Statement of Notes to the Restated Financial Statements (hereinafter collectively referred to as "Restated Financial Statements").

The Restated Financial Statements for the year ended 31stMarch 2019 have been prepared on Proforma basis (i.e., "Proforma Ind AS Financial Information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31stMarch 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information for the year ended 31stMarch 2019, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., 01stApril 2019. Accordingly, suitable restatement adjustments (both-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS financial information as of and for the years ended 31stMarch 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e., 01stApril 2019).

The Restated Financial Statements (including Restated Financial Statements for the three months period ended 30th June 2021, for the year ended 31st March 2021 and 31st March 2020 and Restated Proforma Ind AS Financial Statements for the year ended 31stMarch 2019) have been compiled by the Company from the Audited Financial Statements of the Company for the three months period ended 30th June 2021, for the year ended 31st March 2021 and 31st March 2020 prepared under Ind AS and for the year ended 31st March 2019 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

The Restated Financial Information has been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed (the "Stock Exchanges") in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Company (referred to as the "Issue"), in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act").The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 ("ICDR Regulations"), as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992; and

- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Financial Statements were approved by the Company's Board of Directors and authorized for issue on 26th October 2021.

As required by Division III issued under Schedule III of the act, the company has presented the assets and liabilities in the balance sheet in the order of liquidity.

1.03 Basis of Measurement

These statements are prepared under historical cost convention on accrual basis and also certain financial assets and financial liabilities which are measured at fair values at the end of each reporting period as mentioned in the relevant notes to accounts.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Restated Financial Statements is determined on this basis.

Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

• Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly: and

• Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

The Restated Balance Sheet and the Restated Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Restated Statement of cash

flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Restated Balance Sheet and the Restated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Restated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the Restated Financial Statements are presented in Indian Rupees rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013 except otherwise stated. Per share data are presented in Indian Rupees to two decimals places.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. The Operating cycle has been taken to be 12 months. Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities, as the case may be.

1.04 Use of Estimates

The preparation of the Restated Financial Statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The principal accounting estimates have been described under the relevant income /expense and / or assets / liability item in the Restated Financial Statements. The Management believes that the estimates used in the preparation of these Restated Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

1.05 Property, Plant and Equipment

- The Company has elected to continue with carrying value of all its property, plant, and equipment as recognized in the Restated Financial Statements as at date of transition to Ind AS and use the same as its deemed cost as at the date of transition.

- Property, plant, and equipment are stated at their cost of acquisition less accumulated depreciation and impairment (if any). The cost comprises the purchase price, borrowing cost and attributable cost of bringing the asset to its working condition for its intended use.

- The land used for the office buildings are stated at cost.

- Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the statement of Profit and Loss.

- The residual values, useful lives, and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

- Property, plant, and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

1.06 Depreciation and Useful Life

- Depreciation on Property, Plant and Equipment is provided on Written Down Value and computed on the basis of the useful life prescribed in Schedule II to the Companies Act, 2013 (Act) from the date the asset is ready to put to use.

- Depreciation on office building and investment properties is provided on Written Down value Method and computed on the basis of the useful life prescribed in Schedule II to the Act from the date the asset is ready to put to use.

- The residual value of 5% of Original Cost is considered for the Purpose of Calculating Depreciation rates. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

- Depreciation is provided on pro-rata basis in the year in which the assets are put to use.

- The Company has used rates to provide depreciation which coincide with the rates indicated in schedule II of the Companies Act 2013 on its fixed assets.

1.07 Capital Work in Progress and Intangible Assets under Development

- Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress".
- Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.08 Intangible Assets

- Intangible assets (Software) are stated at their cost of acquisition less amortization. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. These are amortized on Straight Line Method (SLM) over the useful life not exceeding 5 years from the date; the assets are available for use.

1.09 Impairment of Tangible and Intangible Assets

- The carrying amount of assets is reviewed at each balance sheet date and impairment loss is recognized whenever there is any indication of impairment based on internal/ external indicators. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount of the assets exceeds the recoverable amount of the cash generating units.

- Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.
- An impairment loss is recognized immediately in profit or loss. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

- A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

1.10 Investment Properties

- Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition less accumulated depreciation and impairment, if any. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

- An investment property is derecognized on disposal or when the investment property is permanently withdrawn from the use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognized in the statement of Profit and Loss in the same period.

- Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the Written Down Value method, computed on the basis of useful lives prescribed in Schedule II to the Act: The residual value, useful life and method of depreciation are reviewed at the end of the financial year.

1.11 Inventories

- Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw materials at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- In case of stores and spares at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

- In case of finished goods at raw material cost plus conversion costs, packing cost, non-recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

- In case of by-products at estimated realizable value Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.12 Revenue Recognition

- Revenue is recognized based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. The Company applies revenue recognition criteria to each nature of revenue transaction as set out below:

    a) <u>Revenue from Contracts with Customers:</u>

    Pursuant to the application of Ind AS 115 – 'Revenue from Contracts with Customers' effective from 1 April 2018, the Company has applied following accounting policy for revenue recognition:

    Revenue is measured at the fair value of the consideration received /receivable, taking into account contractually defined terms of payment, and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

    Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognize revenue in the Restated Financial Statements. The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company perform: or

- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced: or

- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payments for performance completed to date.

Revenue is recognized either at a point of time or over a period of time based on various conditions as included in the contracts with customers.

b) Sale of goods:

Revenue from sale of goods is recognized as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

c) Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

d) Dividend and interest income

- Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Other Income

Other income is accounted for in accordance with IND AS 115 as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

1.13 Government Grants

- Capital Grants

- In case of depreciable assets, the cost of the assets is shown at gross value and grant / contribution thereon is treated as Capital Grants.
- Government grants shall be recognized in Profit or Loss on a systematic basis over the periods of the useful life of the related asset.

- Revenue Grants

- Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be compiled with. Government grants are recognized in profit or loss on a systematic basis over the periods in which the entire recognizes as expenses the related costs for which the grants are intended to compensate.

1.14 Employee Benefits

- Employee benefits include salaries, wages, provident fund, gratuity, etc. Short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

- Employees benefit under defined Contribution Plan comprises Employee Provident Fund under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952, for which the Company contributes to the plan under the provisions of the said Act.

- Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

1.15 Borrowing Cost

- Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is necessary to complete and prepare the assets for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

1.16 Earnings per Share

- Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

- For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.17 Accounting for Taxes on Income

- Tax expense for the year comprises of current tax, earlier year tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income.

- Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

- Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

- Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

- Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.18 Provisions, Contingent Liabilities and Contingent Assets

- Provisions are recognized only when:

  - the Company has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

  - Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

- Contingent liability is disclosed in case of:

  - a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and a present obligation arising from past events, when no reliable estimate is possible.

- Contingent Assets:

  - Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

1.19 Operating Lease

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

- Company as a lessee

  Lease rentals are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

- Company as a lessor

  Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

1.20 Finance Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the Company is classified as a finance lease. Title may or may not eventually be transferred.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

- Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.21 Offsetting of Assets and Liabilities

- The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

1.22 Cash and Cash Equivalents

- Cash and cash equivalents comprise of cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

1.23 Cash Flow Statement

- Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a 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. The cash flows are segregated into operating, investing, and financing activities.

1.24 Financial Instruments

- A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These statements are prepared under historical cost convention on accrual basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.25 Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortized cost.

- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset that meets the following two conditions is measured at amortized cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.

- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

  - Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

  - Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- All other financial assets are measured at fair value through profit or loss.

1.26 Foreign Currency Transactions

- The Restated Financial Statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded off to the nearest rupee.

- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

1A SUMMARY OFSIGNIFICANT ACCOUNTING POLICIES AND CHANGES

The Restated Financial Statements have been prepared using the significant accounting policies and measurement basis summarized above. These were used throughout all periods presented in the Restated Financial Statements.

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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note 2: Property, Plant and Equipment and Capital Work in Progress

For the year ended 31st March 2019

	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01st April 2018	Additions made during the year	Disposals/ adjustments during the year	As at 31st March 2019	As at 01st April 2018	Depreciation charge for the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 31st March 2019	As at 01st April 2018
Owned										
Land	98.22	44.77	1.81	141.18	-	-	-	-	141.18	98.22
Buildings	965.10	-	-	965.10	483.13	49.08	-	532.21	432.90	481.98
Plant and Equipment	4,454.28	7.90	-	4,462.18	2,413.99	248.91	-	2,662.91	1,799.27	2,040.29
Furniture and Fixtures	14.47	-	-	14.47	10.52	0.96	-	11.48	2.99	3.94
Vehicles	125.71	-	-	125.71	80.67	14.19	-	94.86	30.86	45.04
Office equipment	15.37	-	-	15.37	11.64	0.87	-	12.51	2.86	3.73
Computers	12.08	0.01	-	12.09	11.43	0.28	-	11.71	0.37	0.65
	5,685.23	**52.68**	**1.81**	**5,736.10**	**3,011.39**	**314.29**	**-**	**3,325.67**	**2,410.43**	**2,673.84**

For the year ended 31st March 2020

	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01st April 2019	Additions made during the year	Disposals/ adjustments during the year	As at 31st March 2020	As at 01st April 2019	Depreciation charge for the year	Disposal/ adjustments during the year	As at 31st March 2020	As at 31st March 2020	As at 01st April 2019
Owned										
Land	141.18	-	1.18	140.00	-	-	-	-	140.00	141.18
Buildings	432.90	-	-	432.90	-	43.42	-	43.42	389.48	432.90
Plant and Equipment	1,799.27	74.31	6.10	1,867.48	-	224.51	(0.28)	224.23	1,643.25	1,799.27
Furniture and Fixtures	2.99	-	-	2.99	-	0.72	-	0.72	2.27	2.99
Vehicles	30.86	18.98	-	49.84	-	14.55	-	14.55	35.29	30.86
Office equipment	2.86	-	-	2.86	-	0.64	-	0.64	2.22	2.86
Computers	0.37	-	-	0.37	-	0.08	-	0.08	0.29	0.37
	2,410.43	**93.29**	**7.28**	**2,496.43**	**-**	**283.92**	**(0.28)**	**283.64**	**2,212.79**	**2,410.43**

Note: On conversion to Ind AS, the Company has elected to continue with all its property, plant and equipment and other intangible assets recognised as at 1st April 2019 measured as per the previous Indian GAAP and use the carrying value as the deemed cost of the property, plant and equipment and other intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date 1st April 2019, while preparing the restated schedule for the year ended 31st March 2019.

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NOTES TO THE RESTATED FINANCIAL STATEMENTS

For the year ended 31st March 2021

	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01st April 2020	Additions made during the year	Disposals/ adjustments during the year	As at 31st March 2021	As at 01st April 2020	Depreciation charge for the year	Disposal/ adjustments during the year	As at 31st March 2021	As at 31st March 2021	As at 01st April 2020
Owned										
Land	140.00	20.58	-	160.58	-	-	-	-	160.58	140.00
Buildings	432.90	36.13	-	469.03	43.42	39.15	-	82.57	386.46	389.48
Plant and Equipment	1,867.48	357.50	-	2,224.98	224.23	202.23	-	426.47	1,798.52	1,643.25
Furniture and Fixtures	2.99	-	-	2.99	0.72	0.54	-	1.26	1.73	2.27
Vehicles	49.84	125.53	-	175.36	14.55	27.64	-	42.19	133.18	35.29
Office equipment	2.86	1.00	-	3.87	0.64	0.70	-	1.34	2.53	2.22
Computers	0.37	1.79	-	2.16	0.08	0.52	-	0.60	1.55	0.29
	2,496.43	**542.53**	**-**	**3,038.97**	**283.64**	**270.78**	**-**	**554.42**	**2,484.55**	**2,212.79**

For the period ended 30th June 2021

	Gross Block				Depreciation and impairment				Net Book Value	
	As at 01st April 2021	Additions made during the year	Disposals/ adjustments during the year	As at 30th June 2021	As at 01st April 2021	Depreciation charge for the year	Disposal/ adjustments during the year	As at 30th June 2021	As at 30th June 2021	As at 01st April 2021
Owned										
Land	160.58	74.56	-	235.14	-	-	-	-	235.14	160.58
Buildings	469.03	-	-	469.03	82.57	9.43	-	92.00	377.03	386.46
Plant and Equipment	2,224.98	-	-	2,224.98	426.47	59.54	-	486.01	1,738.97	1,798.52
Furniture and Fixtures	2.99	-	-	2.99	1.26	0.10	-	1.35	1.63	1.73
Vehicles	175.36	23.72	-	199.08	42.19	10.71	-	52.90	146.19	133.18
Office equipment	3.87	0.66	-	4.52	1.34	0.21	-	1.54	2.98	2.53
Computers	2.16	-	-	2.16	0.60	0.21	-	0.81	1.35	1.55
	3,038.97	**98.94**	**-**	**3,137.90**	**554.42**	**80.19**	**-**	**634.62**	**2,503.29**	**2,484.55**

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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note 2A(i): Capital Work-in-Progress

Reconciliation of Carrying Amount

Particulars		Amount (Rs)
Cost or Deemed Cost		
Balance as at 01st April 2018		**-**
Add:- Additions made during the year		**-**
Less:- Disposals/adjustments during the year		**-**
Balance as at 31st March 2019		**-**
Balance as at 01st April 2019		**-**
Add:- Additions made during the year		**-**
Less:- Disposals/adjustments during the year		**-**
Balance as at 31st March 2020		**-**
Balance as at 01st April 2020		**-**
Add:- Additions made during the year		**-**
Less:- Disposals/adjustments during the year		**-**
Balance as at 31st March 2021		**-**
Balance as at 01st April 2021		**-**
Add:- Additions made during the year		**69.42**
Less:- Disposals/adjustments during the year		**-**
Balance as at 30th June 2021		**69.42**
Carrying Value (Net)		
As at 30th June 2021		**69.42**
As at 31st March 2021		**-**
As at 31st March 2020		**-**
As at 31st March 2019		**-**

Note 2A(ii): Capital Work-in-Progress ageing schedule

CWIP	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 30th June 2021					
Projects in progress	**69.42**	**-**	**-**	**-**	**69.42**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
As at 31st March 2021					
Projects in progress	**-**	**-**	**-**	**-**	**-**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
As at 31st March 2020					
Projects in progress	**-**	**-**	**-**	**-**	**-**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
As at 31st March 2019					
Projects in progress	**-**	**-**	**-**	**-**	**-**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**

Note: There are no Capital Work in Progress whose completion is overdue or has exceeded its cost compared to its original plan.

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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note 2B: Other Intangible Assets

Particulars		Amount (Rs)
Gross Block		
As at 01st April 2018		-
Add:- Additions made during the year		-
Less:- Disposals/adjustments during the year		-
As at 31st March 2019		-
As at 01st April 2019		-
Add:- Additions made during the year		-
Less:- Disposals/adjustments during the year		-
As at 31st March 2020		-
As at 01st April 2020		-
Add:- Additions made during the year		-
Less:- Disposals/adjustments during the year		-
As at 31st March 2021		-
As at 01st April 2021		-
Add:- Additions made during the year		-
Less:- Disposals/adjustments during the year		-
As at 30th June 2021		-
Depreciation and impairment		
As at 01st April 2018		
Add: Depreciation charge for the year		-
Less: Disposal/adjustments during the year		-
As at 31st March 2019		-
As at 01st April 2019		
Add: Depreciation charge for the year		-
Less: Disposal/adjustments during the year		-
As at 31st March 2020		-
As at 01st April 2020		
Add: Depreciation charge for the year		-
Less: Disposal/adjustments during the year		-
As at 31st March 2021		-
As at 01st April 2021		
Add: Depreciation charge for the year		-
Less: Disposal/adjustments during the year		-
As at 30th June 2021		-
Net Book Value		
As at 30th June 2021		-
As at 31st March 2021		-
As at 31st March 2020		-
As at 31st March 2019		-

Note: 3 Deferred Tax Assets/ (Liability)

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Relating to Allowances under Income Tax Act, 1961 (In relation to Depreciation, Gratuity, Investments and MAT Credit - Refer note no. 28A)	(113.58)	(124.42)	(79.40)	(65.69)
Total	**(113.58)**	**(124.42)**	**(79.40)**	**(65.69)**

Note: 4 Investments (Non current)

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Financial assets measured at fair value through OCI in Statement of Profit and loss				
(i)Investment in mutual funds (Quoted)				
Religare Securities Ltd-Edelweiss Maiden Oppr Mutual Fund (7797 Units oustanding as at 30th June 2021 and 31st March 2021 and 9897 Units outstanding as at 31st March 2020 and 31st March 2019 acquired @ Rs. 10.10 per unit)	1.31	1.17	0.81	0.87
Total	**1.31**	**1.17**	**0.81**	**0.87**

Note: 5 Other Financial Assets

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Financial assets at amortized cost				
Unsecured and considered good), unless otherwise stated				
Security Deposits	111.84	111.75	103.88	37.37
Total	**111.84**	**111.75**	**103.88**	**37.37**

Note: 6 Other Non Current Assets

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Non Financial Assets at amortized cost				
Unsecured and considered good), unless otherwise stated				
Capital Advances	230.84	3.00	-	-
Balance with government authorities	-	-	-	-
Prepaid Expense	4.62	3.14	-	-
Others	-	-	-	-
Total	**235.46**	**6.14**	**-**	**-**

Note: 7 Inventories

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
(At Cost or Net Realisable Value, whichever is lower)				
Raw Material	2,563.15	2,375.48	1,122.66	1,572.40
Stock In Progress	54.36	59.84	44.55	39.46
Finished Goods	188.33	379.27	715.97	298.65
Stores and Spares	10.00	10.00	10.00	10.00
Total	**2,815.84**	**2,824.59**	**1,893.19**	**1,920.50**

Note: Inventory is pledged and hypothecated to Banks against Pledge Limit and Working Capital Limit

Note: 8 Trade Receivables

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
(Unsecured and considered good), unless otherwise stated				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Outstanding for a period not exceeding six months from the date they are due for payment	1,261.68	724.09	900.10	942.31
Total Receivable	**1,261.68**	**724.09**	**900.10**	**942.31**
Less: Allowance for expected Credit Loss	-	-	-	-
Total	**1,261.68**	**724.09**	**900.10**	**942.31**

Note: Trade Recievables are hypothecated to Banks against Working Capital Limit

Note: 8A Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due of payments					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 30th June 2021						
(i) Undisputed Trade Receivable - considered good	1,261.68	-	-	-	-	1,261.68
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
						1,261.68
As at 31st March 2021						
(i) Undisputed Trade Receivable - considered good	724.09	-	-	-	-	724.09
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
						724.09
As at 31st March 2020						
(i) Undisputed Trade Receivable - considered good	900.10	-	-	-	-	900.10
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
						900.10
As at 31st March 2019						
(i) Undisputed Trade Receivable - considered good	942.31	-	-	-	-	942.31
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - credit impaired	-	-	-	-	-	-
						942.31

Note: 9 Cash and Cash Equivalents

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Cash In Hand	0.22	5.79	6.03	9.80
Balances with banks	-	-	-	-
Balance with Bank in Current Accounts	0.70	0.66	0.12	0.66
In deposit accounts with maturity upto three months	-	-	-	-
Cheques on hand	-	0.25	-	53.18
Total	**0.93**	**6.70**	**6.15**	**63.64**

* Cash and Cash Equivalents include deposits maintained by the Company with Bank, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

Note: 9A Bank Balances Other than Cash and Cash Equivalents

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Balance with Bank in Term Deposit Accounts:- Earmarked Balances with Banks*	1.90	1.89	1.78	3.53
Total	**1.90**	**1.89**	**1.78**	**3.53**

* The Deposits are earmarked against EPCG License obtained by the company from DGFT

Note: 10 Loans

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Financial assets at amortized cost				
Unsecured and considered good), unless otherwise stated				
Loans to Related Parties	-	-	-	-
Loan to Employees	-	-	-	-
Loan to Other Parties	-	-	-	-
Total	**-**	**-**	**-**	**-**

Note: 11 Other Current Assets

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
(Unsecured and considered good), unless otherwise stated				
Balance with Government Authorities				
Income Tax (Net of Provision)	8.51	8.51	8.51	-
Excise and Customs	2.05	2.05	2.05	5.62
GST	124.52	160.84	134.05	106.10
	135.08	**171.41**	**144.61**	**111.72**
Advance Recoverable in cash or in kind	12.79	5.79	-	5.72
Prepaid Expenses	34.72	31.31	12.86	8.76
Other Recoverable	0.02	0.28	0.00	-
Total	**182.62**	**208.78**	**157.48**	**126.20**

Note: Prepaid Expenses include expenses incurred till date in relation to issue of shares amounting to Rs. 20.31 Lakhs - as on 30th June 2021 and Rs. 10.00 Lakhs - as on 31st March 2021, which will subsequently be adjusted against security premium reserve as prescribed under Section 52 of the Companies Act, 2013.

Note: 12 Equity Share Capital

a) Equity Share Capital

Particulars	As at 30th June 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019 Proforma	
	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)
Authorised Share Capital								
Equity Share of ₹ 10/- each	110.00	1,100.00	110.00	1,100.00	46.00	460.00	46.00	460.00
Preference Share of ₹ 10/- each	4.00	40.00	4.00	40.00	4.00	40.00	4.00	40.00
Total	**114.00**	**1,140.00**	**114.00**	**1,140.00**	**50.00**	**500.00**	**50.00**	**500.00**
Issued Share Capital								
Equity Shares of ₹ 10/- each	74.08	740.82	28.61	286.14	28.61	286.14	28.61	286.14
Total	**74.08**	**740.82**	**28.61**	**286.14**	**28.61**	**286.14**	**28.61**	**286.14**
Subscribed and Paid Share Capital								
Equity Shares of ₹ 10/- each fully paid	74.08	740.82	24.69	246.94	24.69	246.94	24.69	246.94
Add: Shares forfeited Not yet Issued	3.92	19.60	3.92	19.60	3.92	19.60	3.92	19.60
(392000 Equity Shares of Rs 10/-, Rs 5/- Paid up)								
Total	**78.00**	**760.42**	**28.61**	**266.54**	**28.61**	**266.54**	**28.61**	**266.54**

b) Reconciliation of share outstanding at the beginning and at the end of the period

Fully paid Equity Share	As at 30th June 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019 Proforma	
	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)	No. of Shares	Rupees (₹)
Outstanding at the beginning of the year	24.69	246.94	24.69	246.94	24.69	246.94	24.69	246.94
Add: Issued during the year	49.39	493.88	-	-	-	-	-	-
At the end of the year	**74.08**	**740.82**	**24.69**	**246.94**	**24.69**	**246.94**	**24.69**	**246.94**

c) Terms and rights attached to equity

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to voting rights proportionate to their share holding at the meetings of shareholders.The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General meeting.

d) Details of shareholders holding more than 5% shares in the Company:

	Name of the shareholders	As at 30th June 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019 Proforma	
		No. of shares	Percentage holding	No. of shares	Percentage holding	No. of shares	Percentage holding	No. of shares	Percentage holding
	Fully paid Equity Share of ₹ 10 each held by:								
1	Deepak Garg	30.77	41.54%	10.26	41.54%	7.20	29.14%	3.20	12.95%
2	Aakriti Garg	17.60	23.76%	5.87	23.76%	-	0.00%	-	0.00%
3	Suvarna Jindal	8.40	11.34%	2.80	11.34%	-	0.00%	-	0.00%
4	Abhey Jindal	6.90	9.31%	2.30	9.31%	-	0.00%	-	0.00%
5	Sanya Jindal	5.25	7.09%	-	0.00%	-	0.00%	5.87	23.76%
6	Chand Rani*	-	0.00%	1.75	7.09%	1.75	7.09%	5.75	23.29%
7	Manohar Lal Garg	0.21	0.29%	0.07	0.29%	1.29	5.24%	1.21	4.90%
8	Sambhav Garg	-	0.00%	-	0.00%	5.87	23.76%	-	0.00%

* Shares held in the name of Chand Rani (Deceased) were in the process of transmission in the name of Sanya Jindal, legal heir of the deceased as on 31st March 2021.

e) Details of Shareholding of Promoters

	Promoter's Name	As at 30th June 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019	
		No.of Shares	%	No.of Shares	%	No.of Shares	%	No.of Shares	%
	Fully paid Equity Share of ₹ 10 each held by:								
1	Deepak Garg	30.77	41.54%	10.26	41.54%	7.20	29.14%	3.20	12.95%
2	Pooja Garg	3.45	4.66%	1.15	4.66%	0.60	2.43%	0.60	2.43%
	Total	**34.22**	**46.19%**	**11.41**	**46.19%**	**7.80**	**31.57%**	**3.80**	**15.38%**
	% Change								
1	Deepak Garg		0.00%		12.40%		16.19%		6.08%
2	Pooja Garg		0.00%		2.23%		0.00%		0.00%
			0.00%		**14.62%**		**16.19%**		**6.08%**

f) Details for Bonus Shares, Shares Bought Back and Shares allotted as fully paid up pursuant to contract without payment being received in cash

Promoter's Name	As at 30th June 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2019	
	No.of Shares	Amount	No.of Shares	Amount	No.of Shares	Amount	No.of Shares	Amount
Bonus Shares	49.39	493.88	0.00	0.00	0.00	0.00	0.00	0.00
Shares Bought Back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares allotted as fully paid up pursuant to contract without payment being received in	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

g) Details of shares held by the holding Company

There is no Holding / Ultimate Company of the Company

Note: 13 Other Equity

Particulars	Share Application on money pending allotment	Equity component of compund financial instruments	Reserve and Surplus						Money received against share warrants	Total
			Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	Debt instruments through OCI	Equity instruments through OCI		
Balance as at 01st April 2018	**-**		**76.80**	**925.83**	**-**	**402.51**	**-**	**-**		**1,405.14**
Changes in accounting policy or prior period errors	-		-	-	-	-	-	-		-
Restatement Adjustments -Prior period items	-		-	-	-	(15.41)	-	-		(15.41)
Restatement of Deferred Tax Asset/ Liability as on 01st April 2018	-		-	-	-	(68.87)	-	-		(68.87)
Restated Balance as at 01st April 2018	**-**		**76.80**	**925.83**	**-**	**318.23**	**-**	**-**		**1,320.87**
Addition during the year:	-		-	-	-	-	-	-		-
Profit for the year	-		-	-	-	133.02	-	-		133.02
Add/Less: Other Comprehensive Income	-		-	-	-	-	-	1.02		1.02
Total Comprehensive Income	**-**		**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Dividends	-		-	-	-	-	-	-		-
Transfer to retained earnings	-		-	-	-	-	-	-		-
Balance as at 31st March 2019	**-**		**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Restated Balance as at 01st April 2019 as per Ind-AS	**-**		**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Changes in accounting policy or prior period errors	-		-	-	-	-	-	-		-
Restated Balance as at 01st April 2019	**-**		**76.80**	**925.83**	**-**	**451.25**	**-**	**1.02**		**1,454.91**
Addition during the year:	-		-	-	-	-	-	-		-
Profit for the year	-		-	-	-	75.77	-	-		75.77
Other comprehensive Income	-		-	-	-	-	-	(2.11)		(2.11)
Total Comprehensive Income	**-**		**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Dividends	-		-	-	-	-	-	-		-
Transfer to general reserve	-		-	-	-	-	-	-		-
Balance as at 31st March 2020	**-**		**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Balance as at 01st April 2020	**-**		**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Changes in accounting policy or prior period errors	-		-	-	-	-	-	-		-
Restated Balance as at 01st April 2020	**-**		**76.80**	**925.83**	**-**	**527.03**	**-**	**(1.09)**		**1,528.57**
Addition during the period:	-		-	-	-	-	-	-		-
Profit for the Year	-		-	-	-	387.82	-	-		387.82
Other Comprehensive Income	-		-	-	-	-	-	0.15		0.15
Total Comprehensive Income	**-**		**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**1,916.55**
Dividends	-		-	-	-	-	-	-		-
Transfer to General Reserve	-		-	-	-	-	-	-		-
Balance as at 31st March 2021	**-**		**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**1,916.55**
Balance as at 01st April 2021	**-**		**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**1,916.55**
Changes in accounting policy or prior period errors	-		-	-	-	-	-	-		-
Restated Balance as at 01st April 2021	**-**		**76.80**	**925.83**	**-**	**914.85**	**-**	**(0.93)**		**1,916.55**
Addition during the period:	-		-	(493.88)	-	-	-	-		(493.88)
Profit for the Year	-		-	-	-	332.22	-	-		332.22
Other Comprehensive Income	-		-	-	-	-	-	7.16		7.16
Total Comprehensive Income	**-**		**76.80**	**431.95**	**-**	**1,247.07**	**-**	**6.23**		**1,762.05**
Dividends	-		-	-	-	-	-	-		-
Transfer to General Reserve	-		-	-	-	-	-	-		-
Balance as at 30th June 2021	**-**		**76.80**	**431.95**	**-**	**1,247.07**	**-**	**6.23**		**1,762.05**

(i) **Capital Reserve**: Capital Reserves include Capital Subsidy received by the Company in earlier years.
(ii) **Securities Premium Reserve**: Securities premium is used to record the premium received on issue of shares. This reserve can be utilised in accordance with the provisions of the
(iii) **Retained Earnings**: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(iv) **Equity Instruments though OCI**: Any changes in the Asset i.e. Investments due to change in Market Price of Investments and Changes in liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Note: 14 Borrowings (Non-Current)

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019 Proforma
(a) Secured Loans from Banks				
Term Loans				
PNB Bank Term Loan (Secured against Plant & Machinery and Immovable Property and Repayable in 32 Quarterly installments commencing from 01/02/2012 @ BR+5.50% (Floating) p.a. interest.)	-	-	-	808.48
HDFC Bank Working Capital Term Loan (Secured against Plant & Machinery, Inventory and Book Debts and Repayable in 29 monthly installments commencing from 07/07/2019 @ MCLR+0.25% (Floating) p.a. interest.)	158.88	254.28	447.11	-
HDFC Bank Term Loan (Secured against Plant & Machinery, Inventory and Book Debts and Repayable in 36 monthly installments commencing from 07/08/2021 @ MCLR+0.25% (Floating) p.a. interest)	417.62	417.62	-	-
HDFC Bank Term Loan (Secured against Plant & Machinery and Repayable in 72 monthly installments commencing from 07/02/2021 @ MCLR+0.25% (Floating) p.a. interest. Fresh Disbursement of Rs. 22.67 Lakhs taken during the quarter ended 30/06/2021)	291.11	277.26	-	-
Vehicle Loans				
HDFC Bank Auto Loan (Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 07/06/2019 @ 9.10% (floating) p.a. interest.)	12.81	13.76	17.35	-
HDFC Bank Commercial Vehicle Loan (Secured by way of Hypothecation of Vehicle and Repayable in 48 monthly installments commencing from 05/11/2017 @ 8.00% (floating) p.a. interest.)	0.94	1.62	4.23	6.65
HDFC Vehicle Loan (Secured by way of Hypothecation of Car and Repayable in 84 monthly installments commencing from 07/11/2020 @ 7.40% (floating) p.a. interest.)	106.42	109.69	-	-
HDFC Bank Auto Loan (Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 05/10/2017 @ 8.00% (floating) p.a. interest.)	7.21	8.57	13.74	18.52
HDFC Vehicle Loan (Secured by way of Hypothecation of Car and Repayable in 60 monthly installments commencing from 07/07/2021 @ 7.60% (floating) p.a. interest.)	20.50	-	-	-
Sub-Total	**1,015.50**	**1,082.81**	**482.43**	**833.64**
Less :- Current Maturities of Long Term Borrowings	348.23	406.40	204.19	419.71
	667.26	**676.41**	**278.24**	**413.94**
(b) Un-Secured Loans				
Due to Promoter and Promoter Group	8.28	-	172.67	104.61
Inter Corporate Deposits	401.35	647.65	244.09	300.96
Due to Others	-	-	17.47	295.93
Sub-Total	**409.63**	**647.65**	**434.23**	**701.50**
Total	**1,076.89**	**1,324.06**	**712.47**	**1,115.43**

Note-1: Terms and conditions as modified and agreed with the Banker basis the last available agreement/ sanction have been disclosed.
Note-2: Interest on Unsecured Loans is being charged at the rate 6-12 %. These loans are of long term nature and have been raised in order to suffice the stipulations laid down by the Banker. The repayment of these loans is at the discretion of the lenders. (However, Inter Corporate Deposits and Due to others include non interest bearing balances amounting to Rs. 265.00 Lakhs, Rs. 466.85 Lakhs, Rs. 141.85 Lakhs and Rs. 545.60 Lakhs for the period ended 30th June 2021, 31st March 2021, 31st March 2020 and 31st March 2019 respectively)

Note: 15 Borrowings (Current)

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019 Proforma
Secured :- Working Capital Loan from Banks				
HDFC Bank (CC Limit Secured against Hypothecation of stock and Book Debts) (Limit sanctioned at Rs. 2100.00 Lacs @ MCLR + 0.25%)	1,302.46	729.84	1,664.70	-
HDFC Bank (Warehousing limit Secured against Hypothecation of stock and Book (Limit sanctioned at Rs. 700.00 Lacs @ MCLR + 0.25%)	444.81	444.90	126.58	-
PNB Bank (CC limit Secured against Hypothecation of stock and Book Debts) (Limit sanctioned at Rs. 2200.00 Lacs @ MCLR + 1.95%)	-	-	-	1,332.61
Yes Bank (Pledge limit Secured against Pledge of Agri Commodities) (Limit sanctioned at Rs. 800.00 Lacs @ YBLEBLR + 0.50%)	703.84	703.27	203.06	525.44
Current Maturities of Long Term Borrowings	348.23	406.40	204.19	419.71
Sub-Total	2,799.35	2,284.41	2,198.54	2,277.75
Total	**2,799.35**	**2,284.41**	**2,198.54**	**2,277.75**

Note : Terms and conditions as modified and agreed with the Banker basis the last available agreement/ sanction have been disclosed.

Note: 16 Trade Payables

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019 Proforma
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	17.94	-	-	-
Total outstanding dues of other than micro enterprises and small enterprises	59.81	62.00	317.29	84.87
Total	**77.75**	**62.00**	**317.29**	**84.87**

Note: The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Company.

Note: 16A Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due of payments				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3	
As at 30th June 2021					
(i) MSME	17.94	-	-	-	17.94
(ii) Others	59.81	-	-	-	59.81
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
					77.75
As at 31st March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	62.00	-	-	-	62.00
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
					62.00
As at 31st March 2020					
(i) MSME	-	-	-	-	-
(ii) Others	317.29	-	-	-	317.29
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
					317.29
As at 31st March 2019					
(i) MSME	-	-	-	-	-
(ii) Others	84.87	-	-	-	84.87
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
					84.87

Note: 17 Other Financial Liabilities

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019 Proforma
Interest accrued but not due	6.31	6.29	3.46	0.17
Total	**6.31**	**6.29**	**3.46**	**0.17**

Note: 18 Other Current Liabilities

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Payable to Staff	138.64	107.72	43.05	77.00
Statutory Dues Payable	3.74	13.37	12.61	30.52
Other Liabilities*	251.77	161.79	78.95	95.81
Total	**394.16**	**282.88**	**134.62**	**203.33**

***Other Liabilties includes**

as on 30th June 2021- Credit Card Dues - Rs. 66.30 Lakhs, Cheque Issued but not presented - Rs. 38.85 Lakhs Electricity Bill Payable - Rs. 93.42 Lakhs, Advances from customers- Rs. 9.22 Lakhs, Commission Payable - Rs. 30.00 Lakhs, Interest Payable on Unsecured Loans- Rs. 4.85 Lakhs and Other Expenses Payable- Rs. 9.13 Lakhs.

as on 31st March 2021- Credit Card Dues - Rs. 55.25 Lakhs , Cheque Issued but not presented - Rs.47.46 Lakhs, Electricity Bill Payable - 46.26 Lakhs , Advances from customers - Rs. 8.74 Lakhs and Other Expenses Payable- Rs. 4.08 Lakhs.

as on 31st March 2020- Cheque Issued but not presented Rs. 14.54 Lakhs, Electricity Bill Payable- Rs. 63.46 Lakhs and Other Expenses Payable Rs. 0.95 Lakhs

as on 31st March 2019- Cheque Issued but not presented P.Y. Rs. 52.99 Lakhs , Electricity Bill Payable - Rs. 32.43 Lakhs/-, Bank Interest Payable - Rs. 8.71 Lakhs, Advances from customers- Rs. 0.02 Lakhs and Other Expenses Payable - Rs. 1.66 Lakhs

Note: 19 Provisions

	Non-Current			
Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
Provision for Gratuity	45.80	50.16	33.70	18.06
Total	**45.80**	**50.16**	**33.70**	**18.06**

	Current			
Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
Provision for Income Tax (Net of Advance Tax & TDS)	147.18	51.56	1.34	17.95
Provision for Gratuity	0.81	0.79	0.25	0.14
Total	**147.99**	**52.35**	**1.59**	**18.09**

NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note: 20 Revenue From Operations

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Sale of Products	**3,032.54**	**11,473.25**	**9,382.14**	**12,081.69**
Goods Traded	-	319.97	333.93	1,772.94
Goods Manufactured	3,032.54	11,153.29	9,048.21	10,308.75
Sale of Services	**-**	**-**	**-**	**-**
Other Operating Revenue	**17.20**	**63.24**	**29.30**	**12.81**
Rebate & Discounts	3.37	13.99	14.22	7.21
Job Work Receipt	13.55	48.49	13.23	0.66
Duty Drawback	-	-	0.50	2.66
Weigh Bridge Charges	0.28	0.77	1.35	2.28
Total	**3,049.74**	**11,536.49**	**9,411.44**	**12,094.50**

a) Details in respect of Sale of Products

Cotton Seed Cake	69.56	1,358.78	1,078.81	1,270.47
Cotton Seed Oil	38.27	735.08	393.59	459.05
Cotton Seed	0.33	265.79	759.56	641.65
Cotton Waste	187.24	462.97	551.74	619.66
Cotton Yarn	2,177.62	6,803.20	5,811.54	7,942.25
Cotton	-	773.03	-	-
Oil Gad	0.21	1.90	1.96	1.90
Cloth	186.82	742.77	713.75	1,146.71
Mustard Seed Cake	109.20	82.07	7.51	-
Mustard Seed Oil	263.29	247.67	63.68	-
Total	**3,032.54**	**11,473.25**	**9,382.14**	**12,081.69**

Note: 21 Other Income

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Rental Income (Miscellaneous)	-	4.00	-	-
Exchange Fluctuation Gain	-	-	-	4.17
Interest Income	1.21	6.72	2.84	2.57
Other Gains	-	-	-	-
Net Gain on Disposal of Property, Plant & Equipment/ Investments	-	0.05	0.58	0.88
Insurance Claim Received	2.54	9.51	13.26	4.00
Total	**3.75**	**20.28**	**16.67**	**11.63**

Note: 22 Cost of material Consumed

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Opening Stock	2,375.48	1,122.66	1,572.40	1,705.29
Purchases during the year	1,889.97	9,129.50	6,689.34	6,921.82
Freight and Other Direct Expenses Paid	5.79	131.22	87.12	108.44
	4,271.24	10,383.38	8,348.86	8,735.55
	-	-	-	-
Closing Stock	2,563.15	2,375.48	1,122.66	1,572.40
Cost of Material Consumed	**1,708.09**	**8,007.91**	**7,226.20**	**7,163.15**

NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note: 23 Changes in Inventories of finished goods, work in progress and stock in trade

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Inventories at the beginning of the Year				
Finished Goods	379.27	715.97	298.65	1,000.30
Work in Progress	59.84	44.55	39.46	71.90
	439.12	**760.52**	**338.11**	**1,072.20**
Inventories at the end of the Year				
Finished Goods	188.33	379.27	715.97	298.65
Work in Progress	54.36	59.84	44.55	39.46
	242.69	**439.12**	**760.52**	**338.11**
Net Changes in Inventory	**196.43**	**321.40**	**(422.42)**	**734.09**

Note: 24 Employees Benefit Expenses

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Salary, Wages and Allowances	159.41	514.57	494.35	439.77
Bonus	15.00	60.00	7.41	39.71
Staff Welfare Expenses	2.89	11.43	11.89	4.73
Contribution to Provident Fund	1.29	3.65	4.82	5.26
Gratuity Expenses	5.09	16.68	12.89	10.28
Total	**183.68**	**606.33**	**531.35**	**499.74**

Note:25 Finance Costs

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Interest Expense - Bank	64.57	171.87	162.17	255.63
Interest Expense - Others	4.85	31.01	27.01	18.02
Share Issue Expenses	-	4.80	-	-
Other Borrowing Cost	0.50	4.65	2.44	5.53
Total	**69.92**	**212.33**	**191.62**	**279.18**

Note:- The aforementioned interest cost excludes installation period interest charged on specific borrowings from bank @ 7.25% p.a., capitalised during the year ended 31st March 2021 amounting to Rs. 3.16 Lakhs.

Note:26 Depreciation and Amortisation

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Depreciation and Amortisation Expenses (Refer Note-2)	80.19	270.78	283.92	314.29
Total	**80.19**	**270.78**	**283.92**	**314.29**

Note: 27 Other Expenses

Particulars		30th June 2021	31st March 2021	31st March 2020	31st March 2019
					Proforma
Manufacturing Expenses					
Freight		19.94	27.95	48.21	44.62
Godown Rent		1.10	6.70	4.90	4.95
Repair & Maintenance to Machinery		37.12	139.21	141.07	136.89
Repair & Maintenance to Building		3.11	22.75	10.58	2.50
Power & Fuel		212.78	822.03	783.37	862.77
Packing Expenses		38.69	93.23	89.97	93.08
	Sub-Total	**312.75**	**1,111.87**	**1,078.10**	**1,144.81**
Selling and Distribution Expenses					
Commission to Agents		38.40	14.00	33.13	73.36
Conveyance Expenses		16.69	65.53	44.58	40.67
	Sub-Total	**55.09**	**79.54**	**77.72**	**114.04**

NOTES TO THE RESTATED FINANCIAL STATEMENTS

Establishment Expenses				
Insurance Expenses	7.78	23.95	17.68	17.50
Legal Fee	0.10	0.15	0.19	0.35
Telephone exp	0.38	1.84	1.38	1.66
Audit Fee	2.50	4.00	0.50	0.25
Travelling Exp	0.13	0.63	3.63	6.25
Advertisement Expenses	-	-	0.33	0.32
Rates and Taxes	5.44	35.40	6.69	7.84
Loss on Disposal of Property, Plant & Equipment	-	-	2.82	-
Loss in Futures & Options	-	-	-	15.27
Others Misc Expenses	3.54	12.03	12.55	15.01
Sub-Total	**19.88**	**78.00**	**45.76**	**64.44**
Total	**387.71**	**1,269.41**	**1,201.58**	**1,323.29**

a) Details in respect of payment to auditors:

As Auditor:				
Audit fee	0.38	0.75	0.40	0.20
Tax audit fee	0.13	0.25	0.10	0.05
In other capacity:	-	-	-	-
Taxation Matters	-	-	-	-
Company law matters	-	-	-	-
Certification fees	2.00	3.00	-	-
Re-imbursement of expenses	-	-	-	-
Total	**2.50**	**4.00**	**0.50**	**0.25**

Note: 28 Income Tax Expenses

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
Current Tax				
Current year tax on Profit	108.49	154.97	41.90	61.10
Deferred Tax				
Decrease/Increase in Deferred Tax Assets or Liability	(13.25)	4.87	(9.84)	(14.88)
Total	**95.24**	**159.84**	**32.06**	**46.22**

Note: 28 A'Calculation of Deferred Tax Assets/(Liability)

Particulars	**As per Companies Act**	**As per Income Tax Act**	**Difference**	**Deferred Tax**
Restated Net Deferred Tax Asset/(Liab) as on 31st March 2018				**(68.87)**
Depreciation for the year ended 31st March 2019	2,269.25	1,783.12	(486.13)	(135.24)
Investments for the year ended 31st March 2019	0.87	1.00	0.13	0.04
Provision for Gratuity for the year ended 31st March 2019	18.20	-	18.20	5.06
MAT Credit Entitlement as on 31st March 2019				64.45
Net Deferred Tax Asset/(Liab) as on 31st March 2019				**(65.69)**
				-
Depreciation for the year ended 31st March 2020	2,072.80	1,609.14	(463.66)	(128.99)
Investments for the year ended 31st March 2020	0.81	1.00	0.19	0.05
Provision for Gratuity for the year ended 31st March 2020	33.95	-	33.95	9.45
MAT Credit Entitlement as on 31st March 2020				40.09
Net Deferred Tax Asset/(Liab) as on 31st March 2020				**(79.40)**
Depreciation for the year ended 31st March 2021	2,323.97	1,829.99	(493.97)	(137.42)
Investments for the year ended 31st March 2021	1.17	0.79	(0.38)	(0.11)
Provision for Gratuity for the year ended 31st March 2021	50.95	-	50.95	14.17
Share Issue Expenses for the year ended 31st March 2021	-	3.84	(3.84)	(1.07)
MAT Credit Entitlement as on 31st March 2021				-
Net Deferred Tax Asset/(Liab) as on 31st March 2021				**(124.42)**
Depreciation for the three months period ended 30th June 2021	2,268.15	1,773.65	(494.50)	(124.46)
Investments for the three months period ended 30th June 2021	1.31	0.79	(0.52)	(0.13)
Provision for Gratuity for the three months period ended 30th June 2021	46.61	-	46.61	11.73
Share Issue Expenses for the three months period ended 30th June 2021	-	2.88	(2.88)	(0.72)
MAT Credit Entitlement as on 30th June 2021				-
Net Deferred Tax Asset/(Liab) as on 30th June 2021				**(113.58)**

A B COTSPIN INDIA LIMITED
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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note: 29 Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and Diluted Earnings per Share	**Three months period ended 30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019 Proforma**
Without Bonus				
Basic and diluted earnings per share in rupees (face value ₹ 10 per share)	**4.48**	**15.71**	**3.07**	**5.39**
With Bonus				
Restated Basic and diluted earnings per share in rupees (face value ₹ 10 per share)	**4.48**	**5.24**	**1.02**	**1.80**
Total basic and diluted EPS attributable to the equity holders of the company	**4.48**	**5.24**	**1.02**	**1.80**
Profit attributable to equity shareholders	**Rupees (₹)**	**Rupees (₹)**	**Rupees (₹)**	**Rupees (₹)**
Profit after tax as per Statement of Profit and Loss	332.22	387.82	75.77	133.02
From operations excluding regulatory deferral account balances	**332.22**	**387.82**	**75.77**	**133.02**
Weighted average number of equity shares	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Opening balance of issued equity shares	24.69	24.69	24.69	24.69
Effect of shares issued during the year, if any	49.39	-	-	-
Effect of bonus shares to be issued after the reporting period but before approval of restated financial statements	-	49.39	49.39	49.39
Weighted average number of equity shares for Basic and Diluted EPS	**74.08**	**74.08**	**74.08**	**74.08**

* Basic and Diluted Earnings per share for the period of three months ended on 30th June 2021 is not annualised.

Note:

1. Earnings per share calculations are done in accordance with IND AS 33 "Earnings per share". Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year and subsequent to the Balance sheet date but before approval of accounts in the Board is multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. The earnings per share figure for the year ended 31st March 2021, 31st March 2020 and 31st March 2019, have been adjusted to give effect to the allotment of the bonus shares, as required by Ind AS-33. Bonus issue in the ratio 2:1 has been declared on 26th April 2021.

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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note: 30 CORPORATE INFORMATION

a) AB COTSPIN INDIA LIMITED is one of the leading names in textile industry in north india. The company is well accepted as a quality manufacturer in cotton yarns & fabrics circle. The company lays its emphasis on manufacturing quality yarns & fabrics with compitence.The company has matured over a period of time from ginning, cotton trading and then integrating to a cotton spinning mill and further adding knitting facility at the same premises.

b) AB COTSPIN INDIA LIMITED is a spinning mill located at Bathinda road, Jaitu distt. Faridkot (Punjab), the company has 18000 spindles of world class technology with automation of various processes and knitting machines from mayer & cie (germany). The company is engaged in manufacturing world class 100% cotton yarns & fabrics both combed and karded, catering to requirements of niche customers who inturn are engaged in making garments for their international buyers. The company has world class state of art R & D facility with both online and offline quality monitoring system round the clock. The company has added manufacturing slub yarns, BCI yarns, Double yarns into it's product basket. The company is certified producer of bci yarns from well acclaimed certifying agency and is planing to convert entire unit of spinning & knitting on to BCI yarns & fabrics production in near future. The company maintains complete traceability of BCI Products right from farmers to ginning, spinning yarns & fabrics.

Note: 31 Disclosure as per Indian Accounting Standard - 24 on 'Related Party

a) List of Related parties:

i) Entities having joint control over the company:
Nil

ii) Associates of Entities
Nil

iii) Key Managerial Personnel (KMP) of the company (as on date)

Name	Date of Joining	Designation
(i) Deepak Garg	26th August 2014	Managing Director
(ii) Manohar Lal	01st August 2018	Whole Time Director
(iii) Ramesh Kumar	02nd March 2020	Director
(iv) Preet Kamal Kaur Bhatia	09th March 2021	Independent Director
(v) Puneet Bhandari	09th March 2021	Independent Director
(vi) Kannu Sharma	19th April 2021	Company Secretary
(vii) Niti Rajan Bansal	08th February 2021	Chief Financial Officer

b) Transactions with the related parties are as follows:

Particulars		For the three months period ended 30th June 2021	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2019
	Nature of Relation				**Proforma**
i) Equity contributions Received					
Nil	N.A.	Nil	Nil	Nil	Nil
ii) Interest debited during the period					
A B Cottex Pvt. Ltd.	Group Company	0.79	0.47	-	-
Deepak Garg	Director	0.08	1.15	0.44	-
Seema Garg	Director's Relative	-	-	-	3.00
Shimla Devi	Director's Relative	-	2.53	1.55	1.33
Manohar Lal	Director	0.01	3.45	0.37	2.61
Pooja Garg	Director's Relative	-	5.41	2.90	3.63
Ramesh Kumar	Director	-	-	-	0.81
Deepak Garg HUF	Director's Relative	-	4.46	3.79	3.14
Muskaan Garg	Director's Relative	-	3.32	3.17	1.04
Dia Garg	Director's Relative	-	-	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	1.02
ii) Directors remuneration					
Deepak Garg	Director	3.00	13.20	7.80	9.00
Ramesh Kumar	Director	0.99	4.80	4.25	3.52
Manohar Lal	Director	1.20	3.72	3.60	-
Niti Rajan Bansal	Chief Financial Officer	2.40	1.30	1.30	-
Pallavi Pathaniya	Company Secretary (im employemnt upto 17th April 2021)	0.11	0.78	0.78	-
Kannu Sharma	Company Secretary	0.55	-	-	-
iii) Salary					
Pooja Garg	Director's Relative	1.50	6.00	6.45	3.00

iv) Godown Rent					
Pooja Garg	Director's Relative	1.20	2.00	1.50	1.20
v) Unsecured Loan Taken					
A B Cottex Pvt. Ltd.	Group Company	87.00	79.75	-	-
Deepak Garg	Director	10.28	10.09	38.15	38.38
Seema Garg	Director's Relative	24.00	-	-	15.00
Shimla Devi	Director's Relative	18.00	2.00	30.40	10.00
Manohar Lal	Director	1.00	0.40	32.10	16.00
Pooja garg	Director's Relative	40.11	44.50	49.10	29.75
Ramesh Kumar	Director	4.50	-	-	7.50
Deepak Garg HUF	Director's Relative	-	9.95	3.00	3.67
Muskaan Garg	Director's Relative	-	0.25	5.30	22.00
Dia Garg	Director's Relative	7.50	0.30	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	-
vi) Unsecured Loan Principal Repaid-					
A B Cottex Pvt. Ltd.	Group Company	89.25	-	-	-
Deepak Garg	Director	3.00	22.64	25.60	106.37
Seema Garg	Director's Relative	24.00	-	5.31	49.80
Shimla Devi	Director's Relative	18.00	23.13	20.52	4.75
Manohar Lal	Director	-	31.15	1.35	51.00
Pooja Garg	Director's Relative	40.11	78.53	35.62	34.20
Ramesh Kumar	Director	4.50	-	7.40	1.93
Deepak Garg HUF	Director's Relative	-	34.60	2.68	-
Muskaan Garg	Director's Relative	-	25.55	2.00	-
Dia Garg	Director's Relative	7.50	0.30	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	23.74
vii) Unsecured Loan Interest Repaid-					
A B Cottex Pvt. Ltd.	Group Company	0.43	-	-	-
Deepak Garg	Director	-	1.45	-	2.73
Seema Garg	Director's Relative	-	-	-	6.32
Shimla Devi	Director's Relative	-	5.14	-	-
Manohar Lal	Director	-	3.52	-	3.25
Pooja Garg	Director's Relative	-	13.07	-	-
Ramesh Kumar	Director	-	-	0.82	-
Deepak Garg HUF	Director's Relative	-	12.58	-	-
Muskaan Garg	Director's Relative	-	7.28	-	-
Dia Garg	Director's Relative	-	-	-	-
Daulat Ram Manohar Lal	Director's Relative	-	-	-	4.36

c) Balances due to and from related parties are as follows:

Particulars	**For the three months period ended 30th June 2021**	**For the year ended 31st March 2021**	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**
i) Unsecured Loan (Principal Outstanding)				**Proforma**
A B Cottex Pvt. Ltd.	77.50	79.75		
Deepak Garg	7.28	-	12.55	-
Seema Garg	-	-	-	5.31
Shimla Devi	-	-	21.13	11.25
Manohar Lal	1.00	-	30.75	-
Pooja Garg	-	-	34.03	20.55
Ramesh Kumar	-	-	-	7.40
Deepak Garg HUF	-	-	24.65	24.33
Muskaan Garg	-	-	25.30	22.00
Dia Garg				
Daulat Ram Manohar Lal	-	-	-	-
ii) Unsecured Loan (Interest Payable)				
A B Cottex Pvt. Ltd.	0.79	0.43		
Deepak Garg	0.08		0.39	-
Seema Garg			-	-
Shimla Devi			2.80	1.41
Manohar Lal	0.01		0.33	-
Pooja Garg			8.07	5.46
Ramesh Kumar			-	0.82
Deepak Garg HUF			8.46	5.04
Muskaan Garg			4.21	1.04
Dia Garg			-	-
Daulat Ram Manohar Lal			-	-

iii) Salary Payable				
Pooja Garg	0.50	0.48	-	-
Deepak Garg	1.00	0.55	0.55	1.35
Ramesh Kumar	0.33	0.31	0.31	0.82
Manohar Lal	0.40	0.39	0.38	-
Niti Rajan Bansal	0.80	1.30	-	-
Pallavi Pathaniya	-	0.27	-	-
Kannu Sharma	0.26	-	-	-

d) Terms and conditions of transactions with the related parties

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

Note: 32 Provision and Contingency in compliance to the Ind AS 37

I. Contingent Liabilities not provided for

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
(a) Claim against Company not acknowledged as debts	NIL	NIL	NIL	NIL
(b) Guarantees				
(i) Foreign Trade Ministry of Commerce	1.04	1.04	1.04	1.66
(ii) Punjab Pollution Board	0.50	0.50	0.50	0.50
(c) Others	NIL	NIL	NIL	NIL

Note: In case quantum of liability is immaterial, the same has been ignored.

II. Commitments not provided for

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
Contracts remaining to be executed on Capital accounts (Net	2,016.65	31.40	NIL	NIL
Others	NIL	NIL	NIL	NIL

Note: 33 Earnings and Expenditure in Foreign Currency

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
I. Earnings in Foreign Currency	NIL	NIL	NIL	Rs. 264.68 Lakhs (USD 3.90 Lakhs)
II. Expenditure in Foreign Currency	NIL	Rs. 1.71 Lakhs (Euros 0.02 Lakhs)	Rs. 1.88 Lakhs (Euros 0.02 Lakhs)	Rs. 10.45 Lakhs (Euros 0.12 lakhs)

Note: 34 Capital Management

The capital includes issued equity capital and other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through theoptimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

The Capital Structure of the Company consists both debt and equity.

GEARING RATIO	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
				Proforma
Gross Debt (Long term and short term borrowings including current maturities)	4,224	4,015	3,115	3,813
Less: Cash and bank balances	1	7	6	64
Net Debt (A)	4,224	4,008	3,109	3,749
Total Equity (B)	2,522	2,183	1,795	1,721
Net Debt to equity Ratio (A/B)	1.67	1.84	1.73	2.18

Note: 35 Previous Years Figure

Previous year's figure have been regrouped/ rearranged /recast, wherever necessary, to make them comparable with the current year's figures.

Note: 36 Segment Reporting

The Company is primarily in the business of manufacturing, purchase and sale of yarns and other allied products. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

a) Entity Wide Disclosure

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Domestic	3,049.74	11,536.49	9,411.44	11,829.81
Overseas	-	-	-	264.69
Segment Assets				
- Within India	7,182.98	6,368.49	5,275.37	5,503.98
- Outside India	-	-	-	-
Segment Liabilities				
- Within India	4,661.82	4,186.58	3,481.06	3,783.40
- Outside India	-	-	-	-

Domestic information includes sales and services to customers located in India.

Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

b) Customers contributing more than 10% of Company's

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
No, of customer contributing 10% or more to the company's revenue for the above mentioned financial periods.	3	2	1	2
Percentage of Total Sales	52.30% collectively	36.24% collectively	17.84%	42.67% collectively

Note: 37 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Level	Fair value			
		30th June 2021	31st March 2021	31st March 2020	31st March 2019
					Proforma
Financial Assets					
Amortised Cost:					
Security Deposits		111.84	111.75	103.88	37.37
Trade Recievables		1,261.68	724.09	900.10	942.31
Total		**1,373.52**	**835.84**	**1,003.98**	**979.68**
Fair Value:					
Investment	2	1.31	1.17	0.81	0.87
Total		**1.31**	**1.17**	**0.81**	**0.87**

Note: 38 Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall Company's responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

a Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes abandonment cost, secuirty deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continously, while at the same time internal control system in place ensure the amounts are within defined limits.

b Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibity in funding by maintaining avalaibility under committed facilities.

Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows.

c Market Risk

The Company does not have international transactions and is not exposed to foreign exchange risk arising from foreign currency transactions.

NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note:39 Employee Benefit Plans

39.1 Defined Contribution Plans

The Corporation operates defined contribution retirement benefit plans for all its qualifying employees.

Gratuity Fund

The table below shows a summary of the key results of the report including past results as applicable.

Assets / Liability	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
a. Present value of obligation	46.61	50.95	33.95	18.20
b. Fair value of plan assets	-	-	-	-
c. Net assets/(liability) recognized in balance sheet as provision	(46.61)	(50.95)	(33.95)	(18.20)

a) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate has been determined with reference to expected market yields on CG-Secs of currency and term consistent with those of benefit obligations. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions selected by the Corporation are as follows:

	30th June 2021	**31st March 2021**	**31st March 2020**	**31st March 2019**
i) Discounting Rate	7.00%	6.80%	6.85%	7.70%
ii) Future Salary Increase	5.00%	5.00%	5.00%	5.00%
iii) Expected Rate of Return on Plan Assets	NA	NA	NA	NA
b) Demographic Assumption				
i) Retirement Age (Years)	60/60	60/60	60/60	60/60
ii) Mortality rates inclusive of provision for disability	100% of IALM 2012-14			
iii) Ages	**Withdrawal Rate (%)**			
Up to 50 Years	2	2	2	2
Above 50 years	1	1	1	1

Actuarial Method

a) Projected Unit Credit (PUC) Actuarial Method has been used to assess the plan's liabilities of exiting employees for retirement, death-in-service and withdrawals (Resignations / Terminations).

b) Under the PUC method, a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as at the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

Planned Liability

The actuarial value of gratuity liability calculated on the above assumptions works out as under:

Year Ending	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
Present value of obligation	46.61	50.95	33.95	18.20
Service Cost				
Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
a. Current Service Cost	4.24	14.35	11.48	9.54
b. Past Service Cost including curtailment Gains/Losses	-	-	-	-
c. Gains or Losses on Non routine settlements	-	-	-	-
Total	**4.24**	**14.35**	**11.48**	**9.54**

Net Interest Cost

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
a. Interest Cost on Defined Benefit Obligation	0.84	2.32	1.40	0.74
b. Interest Income on Plan Assets	-	-	-	-
c. Net Interest Cost (Income)	0.84	2.32	1.40	0.74

Change in Present Benefit Obligation

Particulars	**30th June 2021**	**31st March 2021**	**31st March 2020**	**31st March 2019**
a. Present value of obligation at the beginning of year	50.95	33.95	18.20	9.47
b. Interest Cost	0.84	2.32	1.40	0.74
c. Service Cost	4.24	14.35	11.48	9.54
d. Benefits Paid	-	-	-	-
e. Total Actuarial (Gain)/Loss on Obligation	(9.43)	0.32	2.86	(1.55)
f. Present value of obligation at the end of year	46.61	50.95	33.95	18.20

NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note:39 Employee Benefit Plans

Actuarial (Gain)/Loss on Obligation

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Actuarial (Gain)/Loss arising from Change in Demographic Assumption	-	-	-	-
b. Actuarial (Gain)/Loss arising from Change in Financial Assumption	(1.42)	0.38	4.19	0.29
c. Actuarial (Gain)/Loss arising from Experience Adjustment	(8.00)	(0.06)	(1.33)	(1.84)

Actuarial (Gain)/Loss on Plan Asset

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Expected Interest Income	-	-	-	-
b. Actual Income on Plan Asset	-	-	-	-
c. Actuarial Gain /(Loss) for the year on Asset	-	-	-	-

Balance Sheet and Related Analyses

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Present Value of the obligation at the end of year	46.61	50.95	33.95	18.20
b. Fair value of plan assets	-	-	-	-
c. Unfunded liability recognized in Balance Sheet	(46.61)	(50.95)	(33.95)	(18.20)

Amounts recognized in the Statement of Profit and Loss:

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Service Cost	4.24	14.35	11.48	9.54
b. Net Interest Cost	0.84	2.32	1.40	0.74
c. Expense recognized in the Statement of Profit & Loss	5.09	16.68	12.89	10.28

Other Comprehensive Income (OCI)

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Net cumulative unrecognized actuarial gain/(loss)- opening	-	-	-	-
b. Actuarial gain / (loss) for the year on PBO	(9.43)	0.32	2.86	(1.55)
c. Return on plan assets other than amounts included in net interest cost	-	-	-	-
d. Net (Income)/ Expense for the period recognized in other Comprehensive Income	(9.43)	0.32	2.86	(1.55)

Change in Plan Assets

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Fair value of plan assets at the beginning of year	-	-	-	-
b. Actual return on plan assets	-	-	-	-
c. Employer contribution	-	-	-	-
d. Benefits paid	-	-	-	-
e. Fair value of plan assets at the end of year	-	-	-	-

Change in Net Defined Benefit Obligation

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Net defined benefit liability at the beginning of year	50.95	33.95	18.20	9.47
b. Expenses as recognized in Statement of Profit & Loss	5.09	16.68	12.89	10.28
c. Re-measurements	(9.43)	0.32	2.86	(1.55)
d. Contribution / Benefits paid	-	-	-	-
e. Net defined benefit liability at the end of the period	46.61	50.95	33.95	18.20

Bifurcation of liability recognized in Balance Sheet as provision at the end of year as Current and Non- Current.

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a. Current liability (Amount due within one year)	0.81	0.79	0.25	0.14
b. Non-Current liability (Amount due over one year)	45.80	50.16	33.70	18.06
Net Liability recognized in Balance Sheet as provision	**46.61**	**50.95**	**33.95**	**18.20**

Note:39 Employee Benefit Plans

Sensitivity Analysis of the defined benefit obligation.

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
a) Impact of the change in discount rate				
Present Value of Obligation at the end of year	**46.61**	**50.95**	**33.95**	**18.20**
a. Impact due to increase of 1 %	40.34	44.04	29.11	15.60
b. Impact due to decrease of 1 %	54.34	59.49	39.96	21.42

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
b) Impact of the change in salary increase				
Present Value of Obligation at the end of year	**46.61**	**50.95**	**33.95**	**18.20**
a. Impact due to increase of 1 %	54.42	59.56	40.02	21.48
b. Impact due to decrease of 1 %	40.19	43.88	28.99	15.52

Sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement**.**

A B COTSPIN LIMITED
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NOTES TO THE RESTATED FINANCIAL STATEMENTS

Note: 40 RECONCILIATION OF RESTATED PROFIT & AUDITED PROFIT

PARTICULARS	30th June 2021	31st March 2021	31st March 2020	31st March 2019
	Interim	Audited	Audited	Audited
Net Profit / (Loss) after Tax of Audited Statement of Profit & Loss	339.32	388.03	115.15	142.40
Ind AS Adjustments				
Adjustments for:				
Fair Valuation of Mutual Funds (Note-1)	-	-	(0.06)	(0.13)
Fair Valuation of Defined Benefit Obligations (Note-2)	-	-	(2.86)	1.55
Deferred tax recognized thereon (Note-6)	-	-	0.81	(0.39)
Total Comprehensive Income as per Ind AS	**339.32**	**388.03**	**113.04**	**143.42**
Restatement Adjustments				
Adjustments for:				
Gratuity Provision (Note-3)	-	-	(12.89)	(10.28)
Interest on Income Tax (Note-4)	-	-	(0.33)	(1.63)
Tax Impact of Restatements (Note-5)	-	-	3.37	(4.38)
MAT Credit Entitlement (Note-6)	-	-	(21.44)	(18.09)
Deferred tax (Note-6)	0.06	(0.06)	3.09	7.88
Pre Closure charges reversed (Note-7)	-	-	(9.77)	9.77
Bad Debts (Note-8)	-	-	-	5.96
Depreciation restated (Note-9)	-	-	(1.40)	1.38
Net Profit / (Loss) after tax as per restated statement of Profit and Loss	**339.38**	**387.97**	**73.67**	**134.04**

Note: 40 (B) RECONCILIATION OF RESTATED EQUITY & AUDITED EQUITY

PARTICULARS	30th June 2021	31st March 2021	31st March 2020	31st March 2019
	Interim	Audited	Audited	Audited
Equity As per Audited Balance Sheet	2,523.47	2,184.15	1,928.17	1,813.14
Ind AS Adjustments				
Adjustments for:				
Difference due to change in Profit & Loss	-	-	(1.09)	1.02
Equity after Ind AS adjustments	**2,523.47**	**2,184.15**	**1,927.09**	**1,814.16**
Adjustments for:				
Difference due to change in Profit & Loss	-	(0.06)	(48.75)	(9.38)
Restatement of Deffered Tax (Note-7)	-		(68.87)	(68.87)
Prior Period Adjustments (Note- 10)	(1.01)	(1.01)	(14.35)	(14.47)
Equity as per Restated Statement of Assets and Liabilities	**2,522.47**	**2,183.09**	**1,795.11**	**1,721.45**

Note:
A positive figures represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

Explanatory notes to the above restatements made in Audited Financial Statements of the company for the respective period/years

Adjustments having impact on Profit:
Note -1
Mutual Funds remeasured at fair value
Note -2
Remeasurement of Defined Benefit Obligations as per Valuer Certificate.
Note -3
Provision for gratuity created as per Valuer Certificate.
Note -4
Interest on income tax debited in the year to which tax payable belongs.
Note -5
As the net profit before tax changed, tax provision has been also changed accordingly.
Note -6
Deferred Tax Assets provision and MAT has been restated and revised due to restatement adjustments
Note -7
Pre-closure charges reversal has been made in the year to which it belongs to.
Note -8
Bad debts being prior period item charged to Reserves & Surplus
Note -9
Depreciation charged wrongly reversed adjusted to respective years to which it belongs

Note: 41 Statement of Accounting Ratios

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
				Proforma
Restated Net profit after tax	332.22	387.82	75.77	133.02
Net worth	2,522.47	2,183.09	1,795.11	1,721.45
EBITDA (in ₹) (Refer note 1)	573.82	1,010.49	566.71	761.08
Return on Net Worth (%) (Refer to note 2)	13.17	17.76	4.22	7.73
Before Bonus				
Weighted average number of equity shares outstanding during the year/ period	74.08	24.69	24.69	24.69
Weighted average number of dilutive equity shares outstanding during the year/ period.	74.08	24.69	24.69	24.69
Basic Earnings/ (loss) per Equity Share (in ₹) (Refer Note 3)	4.48	15.71	3.07	5.39
Diluted Earnings/ (loss) per Equity Share (in ₹) (Refer note 4)	4.48	15.71	3.07	5.39
Net Asset Value Per Equity Share (in ₹) (Refer Note 5)	34.05	88.41	72.69	69.71
After Bonus				
Weighted average number of equity shares outstanding during the year/ period	74.08	74.08	74.08	74.08
Weighted average number of dilutive equity shares outstanding during the year/ period.	74.08	74.08	74.08	74.08
Basic Earnings/ (loss) per Equity Share (in ₹) (Refer Note 3)	4.48	5.24	1.02	1.80
Diluted Earnings/ (loss) per Equity Share (in ₹) (Refer note 4)	4.48	5.24	1.02	1.80
Net Asset Value Per Equity Share (in ₹) (Refer Note 5)	34.05	29.47	24.23	23.24

***Not annualised**

Notes: The ratios have been computed as under:

1. EBITDA = Revenue from operations – (cost of materials consumed + excise duty + purchases of stock-in-trade + Changed in inventories of finished goods, stock-in-trade and work-in-progress + Employee benefits expenses+ other expenses).

2. Return on Net Worth Ratio = Net profit after tax, as restated for the year/ period, attributable to equity shareholders/ Net worth (excluding revaluation reserve), as restated, at the end of the year/ period.

3. Basic EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period. The EPS calculations have been done in accordance with IND AS 33 "Earnings per share issued by ICAI

4. Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of dilutive equity shares outstanding during the year/ period. The EPS calculations have been done in accordance with IND AS 33 "Earnings per share issued by ICAI

5. Net assets value per equity share (in ₹) = Net Asset Value (Net Worth), as restated, at the end of the period/ year/ Number of equity shares outstanding at the end of the year/ period

Unless specifically stated Accounting and other ratios shall be based on the financial statements derived from the Restated Financial Information.

Note: 41 Statement of Accounting Ratios

Particulars	Numerator	Denominator	30th June 2021	31st March 2021	31st March 2020	31st March 2019	Reasons for Movement
Current Ratio							
(Current Assets/ Current Liabilities)	Current Assets = Inventories + Trade Receivables + Cash & Cash Equivalents + Short Term Loans & Advances + Other Current Assets	Current Liabilities = Short Term Borrowings + Trade Payables + Other Current Liabilities + Short Term Provisions	1.24	1.40	1.11	1.18	Due to improvement in management of Current Assets
Debt-Equity Ratio							
(Debt/ Equity)	Debt = Long Term Borrowings + Short Term Borrowings	Equity = Equity attributable to equity holders	1.54	1.66	1.62	1.97	Variation less than 25%
Debt Service Coverage Ratio							
Earnings available for Service of Debt/ Interest + Principal	Earnings available for service of Debt = Earning before Interest (attributable to long term borrowings), depreciation and tax	Interest + Principal = Interest Expenses on borrowing and principal amount of borrowings due during the current year	1.43	2.91	0.62	1.14	Due to increase in Turnover and simultaneous increase in Net Profits over the years
Return on Equity Ratio							
(Net Profit after taxes less Preference Dividend (if any)/ Average Equity Shareholders Fund)	Net Profit after taxes less Preference Dividend = Profit/ (Loss) for the year attributable to equity holders of the capital	Equity Shareholders Fund = Equity attributable to equity holders of the parent Average Equity Shareholders' Fund = (Opening Equity Shareholder's funds + Closing Equity Shareholders' funds)/2	0.14	0.19	0.04	0.02	Due to increase in Turnover and simultaneous increase in Net Profits over the years
Inventory Turnover Ratio							
(Cost of Goods Sold/ Average Inventory)	Cost of Goods Sold = Purchases + Manufacturing Expenses + Changes in Inventories of Stock-in-trade	Average Inventory = (Inventory at the end of the year + Inventory at the beginning of the year)/2	0.79	4.14	4.30	4.52	Variation less than 25% except in the current quarter i.e., due to quarterly figure not for the full year
Trade Receivables Turnover Ratio							
(Revenue from Operations / Average Trade Receivables)	Revenue from Operations	Average Trade Receivables = (Receivables at the end of the year + Receivables at the beginning of the year)/2	3.07	14.21	10.22	14.39	Due to change in Turnover as well as Debtor level
Trade Payables Turnover Ratio							
(Purchases / Average Trade Payables)	Purchases	Average Trade Payables = (Payables at the end of the year + Payables at the beginning of the year)/2	27.05	49.83	34.80	31.98	Due to change in Purchase as well as Creditor level
Net capital turnover ratio							
(Revenue from Operations / Capital Employed)	Revenue from Operations	Capital Employed = Total Equity + Long term borrowings (including Current Maturities) {Capital employed is worked out based on average i.e. (Opening Capital Employed + Closing Capital Employed)/2}	0.78	3.48	3.15	3.70	Variation less than 25% except for in the current quarter i.e., due to quarterly figure not for the full year
Net Profit Ratio							
(Net Profit after taxes / Revenue from Operations)	Net Profit after Taxes	Revenue from Operations	10.89%	3.36%	0.81%	1.10%	Industry Wide Effect of Pricing Fluctuations
Return on Capital Employed							
(Earnings before Interest and Taxes / Revenue from Operations)	Earnings before Interest and Taxes (EBIT) = Profit/(Loss) before interest (attributable to Long-Term Borrowing) and Tax	Capital Employed = Total Equity + Long term borrowings (including Current Maturities) {Capital employed is worked out based on average i.e. (Opening Capital Employed + Closing Capital Employed)/2}	11.54%	19.31%	6.55%	9.11%	Industry Wide Effect of Pricing Fluctuations
Return on Investment							
(Net Profit after taxes/Average Total Assets)	Net Profit after Tax	Average Total Assets = (Opening Total Assets + Closing Total Assets)/2	4.90%	6.66%	1.41%	2.20%	Due to increase in Turnover and simultaneous increase in Net Profits over the years.

A B COTSPIN INDIA LIMITED
(CIN: U17111PB1997PLC020118)

NOTES TO THE RESTATED FINANCIAL STATEMENTS

NOTE: 42 RESTATED STATEMENT OF TAX SHELTER

Particulars	30th June 2021	31st March 2021	31st March 2020	31st March 2019
Profit before tax as per profit & loss (A)	**427.46**	**547.66**	**107.84**	**179.24**
Tax at Notional Rate				
Applicable Corporate Tax Rate (%)	25.17%	27.82%	27.82%	27.82%
MAT Rates	0.00%	16.69%	16.69%	20.59%
Adjustments :				
Add : Section 37 Disallowances	-	0.97	2.88	0.88
Add: Section 43B Disallowance	-	-	-	-
Add: Section 40A	5.09	16.68	12.89	10.28
Add: Section 40	-	-	-	-
Add: Share issue expense debited to P&L	-	4.80	-	-
Add: Any other addition	-	-	2.82	-
Less : Agriculture Income	-	(4.00)	-	-
Less: Share issue expenses allowed	(0.96)	(0.96)	-	-
Less : Other Allowable Deduction	-	(0.05)	(0.58)	(0.88)
Total (I)	**4.13**	**17.43**	**18.02**	**10.28**
Timing Differences				
Difference between tax depreciation and book depreciation	(0.53)	(30.31)	25.02	25.53
Depreciation as Per Book	80.19	270.78	283.92	314.29
Depreciation as Per Income Tax	80.72	301.09	258.90	288.76
Other allowable deduction	-	-	-	-
Total Timing Differences (B)	**(0.53)**	**(30.31)**	**25.02**	**25.53**
Net Adjustments C = (A+B)	**426.93**	**517.35**	**132.85**	**204.77**
Income from Other Sources (D)	-	-	-	-
Income from Capital Assets (E)	-	-	-	-
Income from House Property(F)	-	-	-	-
Deduction under Chapter VIA (G)	-	(0.26)	(1.47)	-
Loss of P.Y. Brought Forward & Adjusted (H)	-	-	-	(1.28)
Taxable Income/(Loss) (C+D+E+F+G+H+I)	**431.05**	**534.53**	**149.40**	**213.76**
Adjustment as per 115JB(2A) (J)	7.53	(2.17)	(4.76)	(0.35)
Restated Taxable Income/(Loss) as per MAT (A+J)	434.99	545.49	103.08	178.89
Tax as per MAT Calculation -1	-	91.00	17.21	36.83
Tax as per Normal Calculation -2	**108.49**	**148.71**	**41.56**	**59.47**
Income Tax as returned/computed (Higher of 1 or 2)	**108.49**	**148.71**	**41.56**	**59.47**
Interest u/s 234A/B/C		**6.26**	**0.33**	**1.63**
Total Income Tax as returned/computed	**108.49**	**154.97**	**41.90**	**61.10**

Note: For the year eneded 31st March 2022, the Company has opted for taxation u/s 115BAA of the Income Tax Act, 1961. Accordingly, MAT provisions shall not be applicable for the three months period ended 30th June 2021.

As per our examination

For and on behalf of the Board of Directors of
A B COTSPIN INDIA LIMITED

For Shiv Jindal and Co.
Chartered Accountants
FRN:011316N

Shiv K. Jindal
Partner
Membership No. 090090
UDIN: 21090090AAAAIX6685

Place : Bathinda
Date : 28th October 2021

Deepak Garg
Managing Director
DIN: 00843929

Manohar Lal
Director
DIN: 02406686

Niti Rajan Bansal
(Chief Financial
(PAN: AHTPB2201Q)

Kannu Sharma
(Company Secretary)
(PAN: LGPPS1148K)

OTHER FINANCIAL INFORMATION

For details on Other Financial Information please refer to "Note 41 - Restated Summary Statement of Accounting Ratios" on page F-47 under chapter titled "Financial Statements" beginning on Page 144 of this Red Herring Prospectus.

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CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at June 30, 2021, on the basis of our Restated Financial Statements and as adjusted for the Issue.

(₹ in lakhs)

Particulars	Pre-Issue as at June 30,2021	Post Issue
Borrowings		
Current Borrowing(A)	2,805.66	[●]
Non-Current Borrowing (B)	1,076.89	[●]
Total Borrowings	**3,882.55**	[●]
Shareholder's Funds		
Equity Share Capital	760.42	[●]
Reserve and Surplus	1,762.05	[●]
Total Capital	**2,522.47**	[●]
Non-Current Borrowing/Total Equity	0.43	[●]
Total Borrowings/ Total Equity	1.54	[●]

Notes:

1. *The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at June 30, 2021.*
2. *Post Issue Capitalisation will be determined after finalization of Issue Price.*
3. *On May 17, 2021 the company has issued 49,38,800 Bonus Shares having Face Value of ₹ 10 Per Share to its Existing Shareholders in the Proportion of 2 equity Share for every 1 Equity Share of ₹ 10 Each held by the members of the Company except forfeited shares. The same have been considered for Pre-issue basis.*
4. *Current borrowings inclue current maturities of long term borrowings of ₹ 348.23 lakhs and ₹ 6.31 lakh on account of interest accrued but not due.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the period ended June 30, 2021 and for financial years ended March 31, 2021, 2020 and 2019 including the related notes and reports, included in this Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 28 and 21, respectively, and elsewhere in this Red Herring Prospectus

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to AB Cotspin Limited.

BUSINESS OVERVIEW:

We are primarily engaged in manufacturing of cotton yarn, knitted fabric, cottonseed oil and oilcakes. Our Company commenced its business in 1997 with a cotton ginning plant with cotton bales and cotton seeds being our initial products. Thereafter in the year 2000, we installed a crushing unit to extract oil from cotton and mustard seeds and expanded our product basket with the addition of cotton seed oil, mustard oil and oil cake. In the year 2011, we ventured in manufacturing cotton yarn by setting up a spinning plant. In the year 2014 we installed a knitting machine and thus forayed into manufacturing of knitted fabric. With our expansion over the years under the guidance of our manage ment, we have been able to generate revenue from operations of ₹ 11,536.49 lakhs lakhs during the fiscal 2021.

We have one manufacturing facility which is located at, Jaitu (Dist Faridkot), Punjab. As on date of the RHP, we have an installed 18,000 spindles for manufacturing cotton yarn, 441 mt p.a. for knitted fabric and 6,750 mt p.a. for seed oil/oilcake. Over the years, we have made investments in our manufacturing infrastructure to support our product portfolio requirements and reach.

We are supplying our products domestically. Our domestic revenue from operations for the Three months period ended June 30, 2021 and for the financial years ended March 31, 2021, 2020 and 2019 were 100.00%, 100.00%, 100.00% and 97.81% respectively of our total revenue from operations. As on date of the RHP, our majority customers are being situated at Punjab and Haryana. As on June 30 2021, we have 2 warehouses and 1 Shop cun godown to manage our supply chain operations.

Our Company is promoted by Mr. Deepak Garg and Ms. Pooja Garg.

For the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 our revenue from operations was ₹ 3,049.74 lakhs, ₹ 11,536.49 lakhs, ₹ 9,411.44 lakhs and ₹ 12,094.50 lakhs, respectively. Our EBITDA for the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 was ₹ 573.82 lakhs, ₹ 1,010.49 lakhs, ₹ 566.71 lakhs and ₹ 761.08 lakhs respectively while our profit after tax for the Three months ended June 30, 2021 and for Fiscals 2021, 2020, and 2019 was ₹ 332.22 lakhs, ₹ 387.82 lakhs, ₹ 75.77 lakhs and ₹ 133.02 lakhs respectively.

Presentation of Financial Information

Our restated Ind AS summary statements of assets and liabilities as at June 30,2021, March 31, 2021, March 31, 2020, and March 31, 2019 and the restated Ind AS summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the three months ended June 30,2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 together with the summary of significant accounting policies and explanatory information thereon (collectively, the "Restated Financial Statements"), have been derived from our audited financial statements as at and for the Three months period ended June 30,2021 and March 31,2021 prepared

in accordance with Ind AS 34, and our audited financial statements as at and for the years ended March 31, 2020, March 31, 2019 prepared in accordance with Indian GAAP, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.

The audited financial statements as at and for the year ended March 31, 2020, were prepared in accordance with Indian GAAP and the same have been converted into Ind AS by our management to align accounting policies, exemptions and disclosures as adopted by our Company for the transition to Ind AS in the context of the preparation of the June30,2021 and March 31, 2021 Ind AS special purpose audited financial statements.

Transition from Indian GAAP to Ind AS Financial Statements

The financial statements for the three months ended June 30, 2021, and March 31,2021 were the first financial statements of our Company that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31 2019 and 2020 our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, our Company has prepared financial statements which comply with Ind AS applicable for periods ending on June 30,2021 and March 31,2021. In preparing these financial statements, our Company's opening balance sheet was prepared as at April 1, 2019, our Company's date of transition to Ind AS. In preparing the proforma nd AS financial statements for the year ended March 31, 2019 and 2020 our Company has prepared opening balance sheet as at April 1, 2019, being proforma date of transition to Ind AS. For further information, see "Restated Financial Statements" on page 144.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business activities or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as mentioned below:

1. The Board approved and passed resolution on April 01, 2021, to raise funds by making Initial Public Offering.
2. The shareholders approved and passed special resolution on April 26, 2021 to authorize the Board of Directors to raise funds by making Initial Public Offering.
3. Our Company has allotted 49,38,800 Equity shares pursuant to Bonus Issue vide Board Resolution dated May 17, 2021;

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled *"Risk Factors"* beginning on page 28 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of raw material;
- Labour intensive Industry
- Substantial capital expenditure & working capital requirements
- Outbreak of Covid-19;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Pricing pressures from the competitive business environment;
- Economic and Demographic condition.

SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of the Restated Financial Statements in conformity with Ind AS requires the Management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The principal accounting estimates have been described under the relevant income /expense and / or assets / liability item in the Restated financial statements. The Management believes that the estimates used in the preparation of these Restated Financial statements are prudent and reasonable. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

B. Property, Plant and Equipment

The Company has elected to continue with carrying value of all its property, plant, and equipment as recognized in the Re-stated financial statements as at date of transition to Ind-AS and use the same as its deemed cost as at the date of transition.

Property, plant, and equipment are stated at their cost of acquisition less accumulated depreciation and impairment (if any). The cost comprises the purchase price, borrowing cost and attributable cost of bringing the asset to its working condition for its intended use.

The land used for the office buildings are stated at cost.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the statement of Profit and Loss.

The residual values, useful lives, and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant, and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

C. Depreciation and Useful Life

Depreciation on Property, Plant and Equipment is provided on Written Down Value and computed on the basis of the useful life prescribed in Schedule II to the Companies Act, 2013 (Act) from the date the asset is ready to put to use.

Depreciation on office building and investment properties is provided on Written Down value Method and computed on the basis of the useful life prescribed in Schedule II to the Act from the date the asset is ready to put to use.

The residual value of 5% of Original Cost is considered for the Purpose of Calculating Depreciation rates.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

Depreciation is provided on pro-rata basis in the year in which the assets are put to use.

The Company has used rates to provide depreciation which coincide with the rates indicated in schedule II of the Companies Act 2013 on its fixed assets.

D. **Capital Work in Progress and Intangible Assets under Development**

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheer re disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets

E. Intangible Assets

Intangible assets (Software) are stated at their cost of acquisition less amortization. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. These are amortized on Straight Line Method (SLM) over the useful life not exceeding 5 years from the date, the assets are available for use.

F. Impairment of Tangible and Intangible Assets

The carrying amount of assets is reviewed at each balance sheet date and impairment loss is recognized whenever there is any indication of impairment based on internal/ external indicators. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount of the assets exceeds the recoverable amount of the cash generating units.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.

An impairment loss is recognized immediately in profit or loss. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss

unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

G. Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition less accumulated depreciation and impairment, if any. The cost comprises of purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from the use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognized in the statement of Profit and Loss in the same period.

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the Written Down Value method, computed on the basis of useful lives prescribed in Schedule II to the Act: The residual value, useful life and method of depreciation are reviewed at the end of the financial year.

H. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at Standard Cost on weighted average cost basis i.e., Cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non-recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

I. Revenue Recognition

Revenue is recognized based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. The Company applies revenue recognition criteria to each nature of revenue transaction as set out below:

Revenue from Contracts with Customers:

Pursuant to the application of Ind AS 115 – 'Revenue from Contracts with Customers' effective from 1st April 2018, the Company has applied following accounting policy for revenue recognition:

Revenue is measured at the fair value of the consideration received /receivable, taking into account contractually defined terms of payment, and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognize revenue in the Re-stated Financial Statements. The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company perform: or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced: or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payments for performance completed to date.
4. Revenue is recognized either at point of time or over a period of time based on various conditions as included in the contracts with customers.

i. Sale of goods:

Revenue from sale of goods is recognized as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

ii. Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

iii. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition**.**

iv. Other Income

Other income is accounted for in accordance with IND AS 115 as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably e.g.

J. Government Grants

Capital Grants

In case of depreciable assets, the cost of the assets is shown at gross value and grant / contribution thereon is treated as Capital Grants.

Government grants shall be recognized in Profit or Loss on a systematic basis over the periods of the useful life of the related asset.

Revenue Grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be compiled with. Government grants is recognized in profit or loss on a systematic basis over the periods in which the entire recognizes as expenses the related costs for which the grants are intended to compensate.

K. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits. Short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Employees benefit under defined Contribution Plan comprises Employee Provident Fund under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952, for which the Company contributes to the plan under the provisions of the said Act.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

L. Borrowing Cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is necessary to complete and prepare the assets for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

M. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

N. Accounting for Taxes on Income

Tax expense for the year comprises of current tax, earlier year tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

O. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when:

the Company has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

- Contingent **assets are disclosed where an inflow of economic benefits is probable.**

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

P. Operating Lease

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases.

Company as a lessee

Lease rentals are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

Company as a lessor

Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

Q. Finance Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the Company is classified as a finance lease. Title may or may not eventually be transferred.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

R. Offsetting of Assets and Liabilities

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

S. **Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

T. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a 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. The cash flows are segregated into operating, investing, and financing activities.

U. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These statements are prepared under historical cost convention on accrual basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

V. Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost using the effective interest method or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortized cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
- A financial asset that meets the following two conditions is measured at amortized cost unless the asset is designated at fair value through profit or loss under the fair value option:
- Business model test: the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test: the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:
- Business model test: the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test: the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are measured at fair value through profit or loss.

W. Foreign Currency Transactions

- The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded off to the nearest rupee.
- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations mainly comprises of revenue from manufacturing and trading of grey yarn, grey cloth, cotton and mustard oilcakes, cotton and mustard seed oil, cotton seed and cotton waste. . Our other operating revenue mainly consists of job work charges, rebate & discounts, duty drawback income and weigh bridge charges.

(₹ in lakhs)

Particulars	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Sale of Products	**3,032.54**	**11,473.25**	**9,382.14**	**12,081.69**
Goods Traded	-	319.97	333.93	1,772.94
Goods Manufactured	3,032.54	11,153.29	9,048.21	10,308.75
Other Operating Revenue	**17.20**	**63.24**	**29.30**	**12.81**

Rebate & Discounts	3.37	13.99	14.22	7.21
Job Work Receipt	13.55	48.49	13.23	0.66
Duty Drawback	-	-	0.50	2.66
Weigh Bridge Charges	0.28	0.77	1.35	2.28
Total	**3,049.74**	**11,536.49**	**9,411.44**	**12,094.50**

Other Income: Our other income mainly comprises of interest on security deposits, profit on sale of fixed assets, rental income, gain on foreign exchange fluctuation and insurance claim received.

Expenses

Our expenses comprise of cost of materials consumed, changes in inventories of work in progress and finished goods, purchase of stock-in-trade, employee benefits expense, finance costs, depreciation & amortisation expense and other expenses.

Cost of materials consumed: Cost of materials consumed primarily consists of raw materials costs incurred in production of cotton yarn, fabric and oilcakes. Our raw materials requirements mainly comprise of raw cotton (narma), cotton and mustard seeds.

Changes in inventories of work in progress and finished goods: Changes in inventories of work in progress and finished goods consist of changes in our inventories of finished goods and work-in-progress as at the beginning and end of the year.

Purchase of stock in trade: Our purchase of stock in trade comprises of trading of Cotton yarn, cloth, cotton seed cake and mustard oil as per the market requirement

Employee benefits expense: Our employee benefits expense include salaries, wages and allowances, contribution to provident fund, staff welfare expenses, gratuity expenses and bonus expenses.

Finance costs: Our finance costs comprise of interest expenses on secured and unsecured borrowings taken from banks, financial institutions and others. It also includes other borrowing costs such as bank charges, processing fee, etc.

Depreciation & Amortisation expenses: Depreciation & amortisation expenses comprise of depreciation on tangible fixed assets of the company.

Other expenses: Our other expenses consist of manufacturing, selling & distribution and establishment expenses. Our manufacturing expenses include freight, godown rent, repairs to plant & machinery and building, power & fuel and packing expenses. Selling & distribution expenses include commission to agents and conveyance expenses. Establishment expenses mainly include insurance expenses, travelling expenses, rates & taxes and other miscellaneous expenses, amongst others.

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit & loss for the period ended June 30, 2021 and for the financial years ended March 31, 2021, 2020 and 2019, the components of which are also expressed as a percentage of total revenue for such periods: ***(₹ in lakhs)***

Particulars	For the period ended June 30, 2021		For the year ended March 31, 2021		For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹ in lakhs	(%)*	₹ in lakhs	(%)*	₹ in lakhs	(%)*	₹ in lakhs	(%)*
Income:								
Revenue from operations	3,049.74	99.88	11,536.49	99.82	9,411.44	99.82	12,094.50	99.90
Other income	3.75	0.12	20.28	0.18	16.67	0.18	11.63	0.10
Total Revenue	**3,053.49**	100.00	**11,556.78**	**100.00**	**9,428.11**	**100.00**	**12,106.13**	**100.00**
***Expenses**:*				-				
Cost of material consumed	1,708.09	55.94	8,007.91	69.29	7,226.20	76.65	7,163.15	59.17
Changes in Inventory	196.43	6.43	321.40	2.78	(422.42)	(4.48)	734.09	6.06
Purchase of Stock in Trade	-	-	320.97	2.78	308.02	3.27	1,613.15	13.33

Employee benefit expenses	183.68	6.02	606.33	5.25	531.35	5.64	499.74	4.13
Finance costs	69.92	2.29	212.33	1.84	191.62	2.03	279.18	2.31
Depreciation & amortization expenses	80.19	2.63	270.78	2.34	283.92	3.01	314.29	2.60
Other expenses	387.71	12.70	1,269.41	10.98	1,201.58	12.74	1,323.29	10.93
Total Expenses	**2,626.03**	**86.00**	**11,009.11**	**95.26**	**9,320.27**	**98.86**	**11,926.89**	**98.52**
Profit before exceptional items and taxes	**427.46**	**14.00**	**547.66**	**4.74**	**107.84**	**1.14**	**179.24**	**1.48**
Exceptional Items	-	-	-	-	-	-	-	-
Profit before tax	**427.46**	**14.00**	**547.66**	**4.74**	**107.84**	**1.14**	**179.24**	**1.48**
Tax expense :		-						
(i) Current tax	108.49	3.55	154.97	1.34	41.90	0.44	61.10	0.50
(ii) Deferred tax	(13.25)	(0.43)	4.87	0.04	(9.84)	(0.10)	(14.88)	0.12
Total Tax Expense	**95.24**	**3.12**	**159.84**	**1.38**	**32.06**	**0.34**	**46.22**	**0.38**
Profit for the period/ year	**332.22**	**10.88**	**387.82**	**3.36**	**75.77**	**0.80**	**133.02**	**1.10**
Other Comprehensive Income	**7.16**	**0.23**	**0.15**	**0.00**	**(2.11)**	**(0.02)**	**1.02**	**0.01**
Items that will not be re-classified to profit and Loss	7.16	0.23	0.15	0.00	(2.11)	(0.02)	1.02	0.01
Total Comprehensive Income for the period/ Year	**339.38**	**11.11**	**387.97**	**3.36**	**73.67**	**0.78**	**134.04**	**1.11**

**** (%)*** *column represents percentage of total revenue.*

Review of Operations for the period ended June 30, 2021

Total Revenue

Our total revenue amounted to ₹ 3053.49 lakhs for the period ended June 30, 2021 which is on account of revenue from operations and other income as described below:

Revenue from operations:

Our revenue from operations was ₹ 3049.74 lakhs which was 99.86% of the total revenue for the period ended June 30, 2021. Our revenue from manufactured goods amounted to ₹ 3032.54 lakhs and other operating revenue amounted to ₹ 17.20 lakhs.

Other income:

Our other income amounted to ₹ 3.75 lakhs which is 0.12% of our total revenue for the period ended June 30, 2021. Our other income comprise of interest income of ₹ 1.21 lakhs and Insurance claim received of ₹ 2.54 lakhs.

Expenses

Our total expenses, excluding tax amounted to ₹ 2626.03 lakhs for the period ended June 30, 2021 which is 86% of our total revenue.

Cost of material consumed:

Our cost of material consumed was ₹ 1708.09 lakhs which is 55.94% of the total revenue for the period ended June 30, 2021. Our cost of material consumed was primarily on account of purchase of Cotton and mustard seeds for manufacturing of cotton seed oil, oil cake, yarn and cloth.

Changes in inventories of work in progress and finished goods

Our changes in inventories of work in progress and finished goods was ₹ 196.43 lakhs which was 6.43% of our total revenue for the period ended June 30, 2021. It was on account of lower level of closing inventories of work in progress and finished goods at the end of the period.

Employee benefits expense:

Our employee benefits expense was ₹183.68 lakhs which was 6.02% of our total revenue for the period ended June 30, 2021. Our employee benefits expense primarily consist of salaries & wages of ₹ 159.41 lakhs, contribution to provident fund of ₹ 1.29 lakhs, gratuity expenses of ₹ 5.09 lakhs and staff welfare expenses of ₹ 2.89 lakhs.

Finance Costs:

Our finance costs was ₹ 69.92 lakhs which was 2.29% of our total revenue for the period ended June 30, 2021. It included interest expenses on cash credit facilities, vehicle loans and term loans of ₹ 64.57 lakhs, interest on unsecured loans of ₹ 4.85 lakhs and other borrowing costs of ₹ 0.50 lakhs.

Depreciation & Amortization:

Our depreciation & amortization expenses were ₹ 80.19 lakhs which was 2.63% of our total revenue for the period ended June 30, 2021.

Other Expenses:

Our other expenses was ₹ 387.71 lakhs which was 12.7% of our total revenue for the period ended June 30, 2021. Our other expenses majorly comprise of manufacturing expenses of ₹ 312.75 lakhs, selling & distribution expenses of ₹ 55.09 lakhs and establishment expenses of ₹ 19.88 lakhs. Our manufacturing expenses comprises of power & fuel expenses of ₹ 212.78 lakhs, repairs & maintenance expenses of ₹ 40.24 lakhs, freight charges of ₹ 19.94 lakhs, packing expenses of ₹ 38.69 lakhs and godown rent of ₹ 1.10 lakhs. Our selling & distribution expenses comprises of commission to agents of ₹ 38.40 lakhs and conveyance expenses of ₹ 16.69 lakhs. Our establishment expenses mainly comprised of insurance expenses of ₹ 7.78 lakhs, rates & taxes of ₹ 5.44 lakhs and other miscellaneous expenses of ₹ 3.54 lakhs, amongst others.

Profit before tax:

Our profit before tax was ₹ 427.46 lakhs which was 14% of our total revenue for the period ended June 30, 2021. The increase in our profit margins was majorly on account of increase in prices of cotton yarn which forms 71.81% of our manufacturing sales for the period ended June 30, 2021

Tax expenses

Our tax expense for the period ended June 30, 2021 was ₹ 95.24 lakhs which is 3.12% of our total revenue. It was on account of current tax expense of ₹ 108.49 lakhs which was partially offset by deferred tax benefit of ₹ 13.25 lakhs.

Profit after tax:

Due to the above mentioned reasons, our profit after tax was ₹ 332.22 lakhs which is 10.88% of our total revenue for the period ended June 30, 2021.

Total Other Comprehensive Income:

Our total other comprehensive income was ₹ 7.16 lakhs for the period ended June 30, 2021. This was primarily due to items that will not be reclassified to Profit and Loss Account and income tax on such items i.e. net gain on fair value of FVOCI of investments (net off tax) of ₹ 0 0.10 lakhs and re-measurement loss on defined benefit plans (net off tax) of ₹ 7.06 lakhs

Total Other Comprehensive Income for the period:

As a result of the factors outlined above, our total comprehensive income for the period ended June 30, 2021 was ₹ 339.38 lakhs.

FINANCIAL YEAR 2020-21 COMPARED WITH FINANCIAL YEAR 2019-20

Total Revenue

Our total revenue increased by 22.58% to ₹ 11,556.78 lakhs for the financial year 2020-21 from ₹ 9428.11 lakhs for the financial year 2019-20 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 22.58% to ₹ 11,536.49 lakhs for the financial year 2020-21 from ₹ 9411.44 lakhs for the financial year 2019-20 mainly due to increase in sales of products by ₹ 2091.12 lakhs to ₹ 11,473.25 lakhs for the financial year 2020-21 from ₹ 9382.14 lakhs for the financial year 2019-20 contributed majorly from manufactured goods and has been adjusted with slight offset by decrease in sales of traded goods by ₹ 13.96 lakhs to ₹ 319.97 lakhs in the financial year 2020-21 from ₹ 333.93 lakhs for the financial year 2019-20. Our other operating income increased by ₹ 33.94 lakhs for the financial year 2020-21 as compared to financial year 2018-19. This was majorly on account of increase in job work receipt by ₹ 35.26 lakhs.

The increase was partially offset by decrease in rebate and discounts by ₹ 0.24 lakhs, duty drawback by ₹0.50 lakhs and Weigh bridge charges by ₹ 0.58 lakhs in financial year 2020-21compared to the financial year 2019-20, amongst others

Other income: Our other income increased by 21.66% to ₹ 20.28 lakhs for the financial year 2020-21 from ₹ 16.67 lakhs for the financial year 202021. This was mainly because of increase in rental income by ₹ 4.00 lakhs and interest income ₹ 3.88 lakhs in financial year 2020-21 in comparison to the income in the financial year 2019-20 The increase was slightly offset by decrease in Net Gain on Disposal of Property, Plant & Equipment/ Investments and insurance claim received by ₹ 0.52 lakhs and ₹ 3.75 lakhs respectively in the financial year 2020-21 in comparison to financial year 2019-2020.

Total Expenses

Our total expenses increased by 18.12% to ₹ 11,009.11.89 lakhs for the financial year 2020-21 from ₹ 9,320.27 lakhs for the financial year 2019-20, due to the factors described below:

Cost of material consumed: Our cost of material consumed increased by 10.82% to ₹ 8,007.91 lakhs for the financial year 2020-21 from ₹ 7,226.20 lakhs for the financial year 2019-20. The company increased the purchases by 2,440.16 lakhs to ₹ 9,129.50 lakhs in the financial year 2020-21 from ₹ 6689.34 lakhs in the financial year 2019-20 followed by freight and other direct expenses by ₹ 44.10 lakhs to ₹ 131.22 lakhs in the financial year 2020-21 from ₹ 87.12 lakhs in the financial year 2019-20 and .

Changes in inventories of work in progress and finished goods: Our changes in inventories of work in progress and finished goods changed by (176.09)% to ₹ 715.97 lakhs in financial year 2020-21 from ₹ (422.42) lakhs in financial year 2019-20. This was primarily due to lower level of closing inventories of finished goods at end of financial year 2020-21 as compared to financial year 2019-20.

Purchase of stock in trade: Our purchase of stock in trade increased by 4.20% to ₹ 320.97 lakhs in financial year 2020-21 from ₹ 308.02 lakhs in financial year 2019-20. Trading stock was purchased to get the benefit of increasing trend of prices in the market.

Employee benefit expenses: Our employee benefit expenses increased by 14.11% to ₹ 606.33 lakhs for the financial year 2020-21 from ₹ 531.35 lakhs for the financial year 2019-20. The increase was mainly due to increase in salaries, wages and allowances from ₹ 494.35 lakhs in the financial year 2019-20 to ₹ 514.57 lakhs in the financial year 2020-21, increase in bonus from ₹ 7.41 lakhs in the financial year 2019-20 to ₹ 60.00 lakhs in the financial year 2020-21, amongst others. The increase in our employee expenses can be primarily attributed to increase in per employee wages due to increments in Financial year 2020-21

Finance costs: Our finance costs increase by 10.81% to ₹ 212.33 lakhs for the financial year 2020-21 from ₹ 191.62 lakhs for the financial year 2019-20. Increase in our finance costs was primarily due to increase in interest expense on term loans, vehicle loans & cash credit facilities and others by 9.70 lakhs in the financial year 2020-21 in comparison to financial year 2019-20 and share issue expenses by ₹ 4.80 lakhs in the financial year 2020-21 in comparison to the financial year 2019-20, amongst others.

Depreciation & amortization expense: Our depreciation & amortization expense decreased by 4.63 % to ₹ 270.78 lakhs for the financial year 2020-21 from ₹ 283.92 lakhs for the financial year 2019-2020.

Other expenses: Our other expenses increased by 5.65% to ₹ 1,269.41 lakhs for the financial year 2020-21 from ₹ 1,201.58 lakhs for the financial year 2019-20. The increase was mainly on account of increase in repairs & maintenance to building from ₹10.58 lakhs in Fiscal 2020 to ₹ 22.75 lakhs in Fiscal 2021, increase in power and fuel from ₹ 783.37lakhs in the fiscal 2020 to ₹ 822.03 lakhs in the fiscal 2021, conveyance expenses from ₹ 44.58 lakhs in the financial year 2019-20 to ₹ 65.53 lakhs in the financial year 2020-21, increase in insurance expenses by ₹ 6.27 lakhs and rates & taxes by ₹ 28.72 lakhs in the financial year 2020-21 in comparison to financial year 2019-20, amongst others. This increase was partially offset mainly by decrease in freight expenses by ₹ 20.25 lakhs , commission to agents by ₹ 19.13 lakhs in the financial year 2021 in comparison to the financial year 2020, amongst others.

Profit before taxes: Our profit before taxes increased by 407.84% to ₹ 547.66 lakhs for the financial year 2020-21 from ₹ 107.84 lakhs for the financial year 2019-20. Better sales mix combined with higher margins lead to increase in the overall profitability of the company for the Financial year 2020-21 as compared to Financial year 2019-20. Depreciation & amortization expenses also played a role in increase in profit since these expenses didn't increase proportionately to increase in revenue

Tax expenses: Our tax expenses increased by 398.57% to ₹ 159.84 lakhs for the financial year 2020-21 from ₹ 41.9 lakhs for the financial year 2019-20. This was mainly due to increase in our profit before tax due to which our current tax expenses increased to ₹ 154.97 lakhs in financial year 2020-21 from ₹ 41.9 lakhs in financial year

2019-20. Further we recorded a deferred tax charge of ₹ 4.87 lakhs in financial year 2020-21 in comparison to a deferred tax benefit of ₹ (9.84) lakhs in financial year 2019-20.

Profit after tax: Due to reasons mentioned above, our profit after tax increased by 411.84% to ₹ 387.82 lakhs for the financial year 2020-21 from ₹ 75.77 lakhs for the financial year 2019-20.

Total Other Comprehensive Income:

Our total other comprehensive income increased to ₹ 0.15 lakhs for the financial year 2020-21 from ₹ (2.11) lakhs for the financial year 2019-20. This was primarily due to items that will not be reclassified to Profit and Loss Account and income tax on such items

Total Other Comprehensive Income for the year:

As a result of the factors outlined above, our total comprehensive income decreased by 107.10%% to ₹ 0.15 lakhs for the financial year 2020-21 from ₹ (2.11) lakhs for the financial year 2019-20.

FINANCIAL YEAR 2019-20 COMPARED WITH FINANCIAL YEAR 2018-19

Total Revenue

Our total revenue decreased by 22.12 % to ₹ 9428.11 lakhs for the financial year 2019-20 from ₹ 12,106.13 lakhs for the financial year 2018-19 due to the factors described below:

Revenue from operations: Our revenue from operations decreased by 22.18 % to ₹ 9,411.44 lakhs for the financial year 2019-20 from ₹ 12,094.50 lakhs for the financial year 2018-19 mainly due to decrease in sale of traded goods by ₹ 1,439.01 lakhs to ₹ 333.93 lakhs for the financial year 2019-20 from ₹ 1,772.94 lakhs for the financial year 2018-19. Also our sales of manufactured goods decreased by ₹ 1,260.54 lakhs to ₹ 9,048.21 lakhs for the financial year 2019-20 from ₹ 10,308.75 lakhs for the financial year 2018-19. It was partially offset by increase in our other operating revenue by ₹ 16.49 lakhs which was majorly on account of increase in job work receipt by ₹ 12.57 lakhs and rebate & discounts by ₹ 7.02 lakhs, amongst others.

Other income: Our other income increased by 43.33% to ₹ 16.67 lakhs for the financial year 2019-20 from ₹ 11.63 lakhs for the financial year 2018-19 mainly because of increase in insurance claim received from ₹ 4.00 lakhs in financial year 2018-19 to ₹ 13.26 lakhs in financial year 19-20, amongst others which was partially offset by decrease in gain on foreign exchange fluctuation from ₹ 4.17 lakhs in financial year 2018-19 to ₹ Nil in financial year 2019-20, amongst others.

Total Expenses

Our total expenses decreased by 21.86% to ₹ 9,320.27 lakhs for the financial year 2019-20 from ₹ 11,926.89 lakhs for the financial year 2018-19, due to the factors described below:

Cost of material consumed: The cost of material consumed for the financial year 2019-20 was ₹ 7,226.20 lakhs which has increased by 0.88% as compared to ₹ 7,163.15 lakhs in financial year 2018-19.The increase in cost of material consumed was on account of increase in prices of raw material during financial year 2019-20 as compared to financial year 2018-19.

Changes in inventories of work in progress and finished goods: Our changes in inventories of work in progress and finished goods changed by (157.54)% to ₹ (422.42) lakhs in financial year 2019-2020 from ₹ 734.09 lakhs in financial year 2018-2019. This was primarily due to higher level of closing inventories of work in progress and finished goods at end of financial year 2019-2020 compared to financial year 2018-2019.

Purchase of stock in trade: Our purchase of stock in trade decreased by 80.91% to ₹ 308.02 lakhs in financial year 2019-20 from ₹ 1,613.15 lakhs in financial year 2018-19. This was in line with the decrease in sales of our traded goods.

Employee benefit expenses: Our employee benefit expenses increased by 6.33 % to ₹ 531.35 lakhs for the financial year 2019-20 from ₹ 499.74 lakhs for the financial year 2018-19. The increase was mainly on account of increase in salaries & wages and allowances from ₹ 439.77 lakhs in financial year 2018-19 to ₹494.35 lakhs in financial year 2019-20, staff welfare expenses from ₹ 4.73 lakhs in financial year 2018-19 to ₹ 11.89 lakhs in financial year 2019-20, amongst others. This increase was partially offset by decrease in bonus expenses from ₹ 39.71 lakhs in financial year 2018-19 to ₹7.41 lakhs in financial year 2019-20, amongst others. Increase in salaries & wages was mainly on account of annual increment of the employees.

Finance costs: Our finance costs decreased by 31.36% to ₹ 191.62 lakhs for the financial year 2019-20 from ₹ 279.18 lakhs for the financial year 2018-19. Decrease in our finance cost was primarily due to decrease in interest

expense on term loans, vehicle loans and cash credit facilities availed by the company from ₹ 255.63 lakhs in financial year 2018-19 to ₹ 162.17 lakhs in financial year 2019-20 and decrease in other borrowing costs from ₹ 5.53 lakhs in financial year 2018-19 to ₹ 2.44 lakhs in financial year 2019-20 which was partially offset by increase in interest on unsecured loans from ₹ 18.02 lakhs in financial year 2018-19 to ₹ 27.01 lakhs in financial year 2019-20. The decrease in interest expenses was mainly due to decrease in our term loans during financial year 2019-20.

Depreciation & amortization expense: Our depreciation & amortization expense decreased by 9.66% to ₹ 283.92 lakhs for the financial year 2019-20 from ₹ 314.29 lakhs for the financial year 2018-19..

Other expenses: Our other expenses decreased by 9.20% to ₹ 1,201.58 lakhs for the financial year 2019-20 from ₹ 1,323.29 lakhs for the financial year 2018-19. The decrease in other expenses was mainly due to decrease in power & fuel expenses from ₹ 862.77 lakhs in the financial year 2018-19 to ₹ 783.37 lakhs in the financial year 2019-20, decrease in commission to agents from ₹ 73.36 lakhs in the financial year 2018-19 to ₹33.13 lakhs in the financial year 2019-20 and decrease in loss in futures & options from ₹ 15.27 lakhs in the financial year 2018-19 to no such loss in financial year 2019-20, amongst others. This decrease was offset by increase in repairs & maintenance to building expenses from ₹2.50 lakhs in the financial year 2018-19 to ₹ 10.58 lakhs in the financial year 2019-20, amongst others.

Profit before tax: Our profit before tax decreased by 39.84% from ₹ 179.24 lakhs in Fiscal 2019 to ₹ 107.84 lakhs in Fiscal 2020, mainly due to decline in our revenue from operations.

Tax expenses: Our tax expenses decreased by 31.06% to ₹ 32.06 lakhs for the financial year 2019-20 from ₹ 46.22 lakhs for the financial year 2018-19. This was mainly due to decline in our profit before tax due to which our current tax expenses decreased from ₹ 61.10 lakhs in financial year 2018-19 to ₹ 41.90 lakhs in financial year 2019-20. Further we recorded a deferred tax benefit of ₹ 9.84 lakhs in financial year 2019-20 as against a deferred tax charge of ₹14.88 lakhs in financial year 2018-19.

Profit after tax: Due to reasons mentioned above, our profit after tax decreased by 74.77% to ₹ 75.77 lakhs for the financial year 2019-20 from ₹ 133.02 lakhs for the financial year 2018-19.

Total Other Comprehensive Income:

Our total other comprehensive income decreased by 305.03% to ₹ (2.11) lakhs for the financial year 2019-20 from ₹ 1.02 lakhs for the financial year 2018-19. This was primarily due to items that will not be reclassified to Profit and Loss Account and income tax on such items.

Total Other Comprehensive Income for the year:

As a result of the factors outlined above, our total comprehensive income decreased by 37.79% to ₹ 73.67 lakhs for the financial year 2019-20 from ₹ 134.04 lakhs for the financial year 2018-19.

Other Key Ratios

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short-term working capital requirements and term loans to finance our capital expenditures.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the period ended June 30, 2021 and for the financial years 2021, 2020 and 2019**:**

(₹ in lakhs)

Particulars	For the period ended June 30, 2021	For year ended March 31,		
		2021	2020	2019
Net cash flow generated from/ (utilized in) operating activities (A)	208.13	(1.17)	699.12	1,011.32
Net cash flow utilized in investing activities (B)	(412.25)	(495.71)	(88.53)	(49.99)
Net cash flow generated from/ (utilized in) financing activities (C)	198.36	497.43	(668.07)	(1,081.43)
Net (decrease)/ increase in cash & cash equivalents (A+B+C)	(5.77)	0.55	(57.49)	(120.09)

Particulars	For the period ended June 30, 2021	For year ended March 31,		
		2021	2020	2019
Cash and cash equivalents at the beginning of the period/ year	6.70	6.15	63.64	183.72
Cash and cash equivalents at the end of the period/ year	0.93	6.70	6.15	63.64

Operating Activities

For the period ended June 30, 2021

Our net cash generated in operating activities was ₹ 208.13 lakhs for period ended June 30, 2021. Our operating profit before working capital changes was ₹ 582.16 lakhs for three months ended June 30, 2021 which was primarily adjusted by payment of income tax of ₹ 12.87 lakhs, decrease in inventories by ₹ 8.76 lakhs, increase in creditors is rs 31.81 lakh. increase in creditors is rs 31.81 lakh increase in trade payables by ₹ 537.59 lakhs, increase in other current liabilities by ₹ 111.28, amongst others. This was partially offset by increase in trade receivable by ₹ 537.59 lakhs and increase in non current prepaid expenses by ₹ 1.48 lakhs, amongst others.

Financial year 2020-21

Our net cash used in operating activities was ₹ 1.17 lakhs for the financial year 2020-21. Our operating profit before working capital changes was ₹ 1037.94 lakhs for the financial year 2020-21 which was primarily adjusted by payment of income tax of ₹ 64.65 lakhs, decrease in trade receivables, amongst others. This was partially offset by increase in inventories by ₹ 931.41 lakhs, decrease in trade payables by ₹ 304.90 lakhs and increase in non-current deposits by ₹ 7.87 lakhs, amongst others.

Financial year 2019-20

Our net cash generated from operating activities was ₹ 699.12 lakhs for the financial year 2019-20. Our operating profit before working capital changes was ₹ 596.07 lakhs for the financial year 2019-20 which was primarily adjusted by payment of income tax of ₹ 34.16 lakhs, increase in trade payable by ₹ 232.43 lakhs, decrease in trade receivables by ₹ 42.22 lakhs, , amongst others. This was partially offset by decrease in other current liabilities by ₹ 68.71 lakhs and increase in non-current deposits by ₹ 66.51 lakhs, amongst others.

Financial year 2018-19

Our net cash generated from operating activities was ₹ 1,011.32 lakhs for the financial year 2018-19. Our operating profit before working capital changes was ₹ 776.57 lakhs for the financial year 2018-19 which was primarily adjusted by payment of income tax of ₹ 38.97 lakhs, decrease in inventories by ₹ 876.99 lakhs, amongst others. This was partially offset by decrease in trade payable by ₹ 363.98 lakhs and increase in trade receivables by ₹ 203.57 lakhs, amongst others.

Investing Activities

For the period ended June 30, 2021

Net cash used in investing activities was ₹ 412.25 lakhs for the period ended June 30, 2021. This was primarily on account of purchase of fixed assets amounting to ₹114.99 lakhs, increase in capital advances by ₹227.84 lakhs and increase in Capital WIP by ₹ 69.42 lakhs.

Financial year 2020-21

Net cash used in investing activities was ₹ 495.71 lakhs for the financial year 2020-21. This was primarily on account of purchase of fixed assets amounting to ₹ 492.93 lakhs and capital advances by ₹ 3 lakhs which was partially offset by sale of long term investments of ₹ 0.23 lakhs.

Financial year 2019-20

Net cash used in investing activities was ₹ 88.53 lakhs for the financial year 2019-20. This was primarily on account of purchase of fixed assets amounting to ₹ 93.29 lakhs which was partially offset by sale of property, plant & equipment of ₹ 4.76 lakhs.

Financial year 2018-19

Net cash used in investing activities was ₹ 49.99 lakhs for the financial year 2018-19. This was primarily on account of purchase of fixed assets amounting to ₹ 52.68 lakhs which was partially offset by sale of property, plant & equipment of ₹ 2.69 lakhs.

Financing Activities

For the period ended June 30, 2021

Net cash generated from financing activities for the period ended June 30, 2020 was ₹ 198.36 lakhs. This was primarily on account of decrease in long term borrowings by ₹ 247.15 lakhs and increase in short term borrowings by ₹ 514.93 lakhs which was partially offset by interest paid of ₹ 69.42 lakhs.

Financial year 2020-21

Net cash used in financing activities for the financial year 2020-21 was ₹ 497.43 lakhs. This was primarily on account of interest paid of ₹ 202.87 lakhs and repayment of long term borrowings of ₹ 614.42 lakhs which was partially offset by increase in short term borrowings by ₹ 85.88 lakhs.

Financial year 2019-20

Net cash used in financing activities for the financial year 2019-20 was ₹ 668.07 lakhs. This was primarily on account of interest paid of ₹ 189.18 lakhs and repayment of long term borrowings of ₹ 399.67 lakhs which was partially offset by increase in short term borrowings by ₹ 79.22 lakhs.

Financial year 2018-19

Net cash used in financing activities for the financial year 2018-19 was ₹ 1,081.43 lakhs. This was primarily on account of interest paid of ₹ 273.65 lakhs, repayment of short term borrowings by ₹ 111.98 lakhs and repayment of long term borrowings by ₹ 695.80 lakhs.

Financial Indebtedness

As on June 30, 2021 the total outstanding borrowings of our Company is ₹ 3,876.24 lakhs which included long-term borrowings of ₹ 1,076.89 lakhs, short term borrowings of ₹ 2,799.35 lakhs and current maturities of long term debt of ₹ 348.23 lakhs. For further details, refer chapter titled *"Financial Indebtedness"* beginning on page 166 of this Red Herring Prospectus

(₹ in lakhs)

Particulars	**As at June 30, 2021**
Non Current Borrowing	
Secured Loans	
- Long Term Borrowings Banks & Financial Institution	667.26
- Current Maturities of Long Term Borrowings	348.23
Total Secured Loans from Banks &Financial Institution (A)	**1,015.50**
Unsecured Loans	
- Promoter & Promoter Group	8.28
- Others	401.35
Total Unsecured Loan (B)	**409.63**
Total Non Current Borrowing(C) = (A) + (B)	**1,076.89**
Current Borrowing	
Working Capital facilities from banks	2,799.35
Total Current Borrowing (D)	**2,799.35**
Total (C)+(D)	**3,876.24**

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily such transactions include remuneration to directors and their relatives, loans taken, interest paid, rent, etc. For further details relating to our Related Party Transactions, see "Note 31 – Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'" on page F-38 under chapter titled "Restated Financial Statements" beginning on page 144 of this Red Herring Prospectus

Contingent Liabilities, Commitments and Off-Balance Sheet Arrangements

The following table sets forth our contingent liabilities and commitments not provided for as of June 30, 2021 as per Restated Financial Statements:

(₹ in lakhs)

Particulars	As at June 30, 2021
Capital Commitments	2,016.65
Guarantees	1.54
Total	**2,018.19**

For further information on our contingent liabilities, please see "Note 32- Provision and Contingency in compliance to the Ind AS 37" on page F-40 under the chapter titled "Restated Financial Statements" beginning on page 144 of this Draft Red Herring Prospectus

Except as disclosed in the Restated Financial Statements or elsewhere in this Red Herring Prospectus , there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and Qualitative Disclosures about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 1494of this Draft Red Herring Prospectus , there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 144 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures & interest thereon or repayment of deposits & interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled *"Risk Factors"* beginning on page 28 of this Red Herring Prospectus

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the section titled *"Risk Factors"* beginning on page 28 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in chapter titled *"Risk Factors"* beginning on page 28 of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years are as explained in the part *"Financial Year 2020-21 compared with financial year 2019-20 and Financial Year 2019-20 Compared With Financial Year 2018-19"* above.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our company works under single reportable Industry segment.

Competitive Conditions

We have competition with Indian and international manufacturers & traders and our results of operations could be affected by competition in the textile sector in India. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "Risk Factors" beginning on page 28 of this Red Herring Prospectus

Increase in income

Increases in our income are due to the factors described above in this chapter under "*Significant Factors Affecting Our Results of Operations"* and chapter titled "*Risk Factors"* beginning on page 28 of this Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Customers

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company's customers and suppliers *vis a vis* the revenue from operations and raw materials purchase respectively for the period ended on June 30, 2021 and for the financial year ended as on March 31, 2021 based on Restated Financial Statement are as follows:

Particulars	Suppliers		Customers	
	As at June 30, 2021	As on March 31, 2021	As at June 30, 2021	As on March 31, 2021
Top 5 (%)	91.88%	47.19%	65%	58.30%
Top 10 (%)	95.47%	50.41%	77.70%5	68.15%

Seasonality of Business

The nature of our business is not seasonal. For further details please refer chapter titled "*Risk Factors"* beginning on page 28 of this Red Herring Prospectus.

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FINANCIAL INDEBTEDNESS

Our company avail credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable law the board may from time to time at its discretion raise or borrow, either from the directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the company; by a resolution of the board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the board shall not without the requisite sanction of the company in general meeting borrow any sum of money which together with money borrowed by the company(apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the company and its free reserves. Further, pursuant to a special resolution passed in the extra-ordinary general meeting of our company held on August 25, 2020 the board of directors has been authorised to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company, provided that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained or to be obtained from the company's banker in the ordinary course of business) shall not exceed the sum of 10,000 lakhs (Rs. Ten thousand lakhs only) As on October 31, 2021 we have outstanding secured borrowings of Rs 1228.78 lakhs. Set forth below is a brief summary of our aggregate outstanding borrowings and secured borrowings.

Secured Borrowings

A. Loan of ₹ 8127.62 lakhs from HDFC Bank Limited as per sanction letter dated 16.09.2021

Nature of facility	Limits (₹ In lakhs)	Rate of interest/ Commission	Tenor/ valid upto	Outstanding as on Oct 31, 2021 (₹ In lakhs)
Cash Credit Limit	2,100.00	6.65%	12 months	Nil (Cr Bal)
PCFC (sub limit of cc)	(400.00)	7.25%	180 days	
Term loan – BBG WC	700.00	7.00%	12 months	30.92
WCDL - Pledge	700.00	8.00%	12 months	Nil (Cr Bal)
WC Term Loan –Under GECL	417.62	7.45%	48 months	386.26
BBG WC Term Loan	425.00	7.00%	72 months	397.24
BBG WC Term Loan	3,700.00	7.00%	120 months	182.58
Purchase Card	85.00	7.25%	12 months	65.12
Total limit	**8,127.62**			**1,062.12**

Security details:

Personal Security

- Industrial Property, Personal Guarantee, Stock, Stock for Pledge, Book Debts

Property description	Type of property	Market Value (₹ In Lakhs)
Industrial Property BathindaRoadkhasra No 373//13/3 (4-16) Khewat No 249 ,250 Kahatoni No 367,368 opp Punjab Pipe Industry Vasika No 3207 JaitoMandi 151202	Industrial Property used for Commercial Activity	1,700

Collateral Security

- Personal Guarantee, Plant & Machinery

Personal Security

1) Mr. Deepak Garg
2) Mr. Ramesh Kumar
3) Mr. Manohar Lal
4) Mr. Sambhav Garg

Specific Covenants

1. Customer to undertake not to avail any credit facilities from any other bank without the written consent of HDFC Bank
2. Customer to ensure to maintain Current Ratio of 1.33 ensuring contribution of minimum 25% of the current assets at all times.
3. The facilities availed in foreign currency are linked to LIBOR/ FCNR(B) or appropriate benchmark rates and are subject to availability of foreign exchange with the Bank
4. The interest rate offered for Export Packing Credit and/or Post Shipment facilities is inclusive of subvention and is subject to guidelines stipulated by RBI from time to time. HDFC Bank Ltd. ('Bank') reserves the right to change this rate in case of export subvention being changed or withdrawn by RBI.

B. Loan of ₹ 800 Lakhs from Yes Bank Limited as per Addendum facility sanction letter dated December 4, 2020

Nature of facility	**Credit line Commodity Finance**
Loan amount	₹ 800 lakhs
Rate of interest	Floating Effective Rate of Interest (ROI) is 8.10% p.a. which is 0.50% (spread) over and above marked up YES Bank External Benchmark Lending Rate (YBLEBLR)
Amount outstanding as on Oct 31, 2021	Nil (Cr. Balance)
Tenor	12 months
Security	Pledge on Agri-commodity

C. Auto loan of ₹ 115.00 Lakhs from HDFC Bank as per sanction letter dated October 20, 2020

Nature of facility	**Auto loan**
Loan amount	₹ 115.00 lakhs
Rate of interest (fixed)	7.40 % p.a.
Amount outstanding as on 31st Oct, 2021	₹ 102.60 lakhs
Tenor	84 months
Instalment	Emi of ₹ 175,823

D. Auto loan of ₹ 20.1 Lakhs from HDFC Bank as per sanction letter dated May 03, 2019

Nature of facility	**Auto loan**
Loan amount	₹ 20.1lakhs
Rate of interest (fixed)	9.10 % p.a.
Amount outstanding as on Oct 31, 2021	₹ 11.60 lakhs
Tenor	60 months
Instalment	Emi of ₹ 41,822

E. Auto loan of ₹ 9.75 lakhs from HDFC Bank as per sanction letter dated September 26, 2017

Nature of facility	**Auto loan**
Loan amount	₹ 9.75 Lakhs
Rate of interest (fixed)	8.01 % p.a.
Amount outstanding as on Oct 31, 2021	Nil
Tenor	48 months
Instalment	Emi of ₹ 23,806.00

F. Auto loan of ₹ 25.00 lakhs from HDFC Bank as per sanction letter dated August 31 , 2017

Nature of facility	**Auto loan**
Loan amount	₹ 25.00 lakhs
Rate of interest (fixed)	8 % p.a.
Amount outstanding as on Oct 31, 2021	₹ 5.39 lakhs
Tenor	60 months
Instalment	Emi of ₹ 50,691

G. Auto loan of ₹ 20.50 lakhs from HDFC Bank as per sanction letter dated June 03, 2021

Nature of facility	**Auto loan**
Loan amount	₹20.50 lakhs
Rate of interest (fixed)	7.60 % p.a.
Amount outstanding as on Oct 31, 2021	₹ 19.48 lakhs

Tenor	60 months
Instalment	Emi of ₹41,176

Unsecured Borrowings

In addition to the secured borrowings availed by us from banks, we have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as of October 31, 2021.

(₹ in lakhs)

Particulars	**Outstanding as on October 31,2021**
- Promoter & Promoter Group	
1. Deepak Garg	21.28
2. ManoharLal	2.00
3. AB Cotton Textile Pvt Ltd	155.85
Total	**179.13**
-Others	
1. Rex Global Limited	16.85
2. Parbhatam Investments Private Limited	140.00
3. Trident Limited	125.00
4. Sunrise Commodities Services Pvt Ltd	65.00
Total	**346.85**

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters, Directors, Group Company and Subsidiary, (the "**Relevant Parties**").

For the purpose of (V) above, our Board in its meeting held on April 26, 2021, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered 'material' if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the profit after tax of our Company as per the restated financial statements of our Company for the last full Fiscal 2021, being ₹ 3.88 Lakhs; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on April 26, 2021 determined that outstanding dues to creditors exceeding 5% of the company 's trade payable as per the restated financial statements for the fiscal 2021 ,being in excess of ₹ 6.2 lakhs shall be considered as material dues ("Material Dues").

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS, SUBSIDIARIES AND GROUP COMPANIES

Nature of Case	Number of Cases	Outstanding Amount (₹ in lakhs)
Company		
Direct Tax	04	4.76
Indirect Tax	Nil	Nil
Directors (other than Promoters)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoterss		
Direct Tax	03	28.31
Indirect Tax	Nil	Nil
Subsidiaries		
Direct Tax	NA	NA
Indirect Tax	NA	NA
Group Companies		
Direct Tax	NA	NA
Indirect Tax	NA	NA

Nte: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

The amounts indicated above include appeals under the Income Tax Act, 1961 ("I.T. Act") levied by by the Income Tax Department for various assessment years and the details thereof are:

i. **As on date, a response has been filed by the issuer Company involving* ***₹41,610/-*** *(for the AY 2010-11) however no reply has been received from the concerned department. Department has disallowed dues paid against Provident Fund and ESI, although the same has been paid before filing of return.*

ii. *As on date, a response has been filed by the issuer Company involving* ***₹ 2,65,710****/- (for the AY 2017-18), however no reply has been received from the concerned department. Department has disallowed dues paid against Provident Fund and ESI, although the same has been paid before filing of return and should have been allowed as expense as held in the Delhi High Court case of Commissioner of Income Tax vs AIMIL Limited(2010) 229CTR(DEL)418.*

iii. *As on date, a response has been filed by the issuer Company involving* ***₹65,420****/- (for the AY 2019-20), however no reply has been received from the concerned department. Department has disallowed dues paid against Provident Fund and ESI, although the same has been paid before filing of return and should have been allowed as expense as held in the Delhi High Court case of Commissioner of Income Tax vs AIMIL Limited (2010) 229CTR(DEL)418.*

iv. *As on date, a response has been filed by the issuer Company involving* ***₹1,03,820/-*** *(for the AY 2020-21) however no reply has been received from the concerned department. Department has disallowed dues paid against Provident Fund and ESI, although the same has been paid before filing of return.*

v. *** As on date, an appeal under section 143(3) of the Income Tax Act, 1961 filed by the Promoter involving* ***₹28,28,430****/- (for the AY 2016-17) is pending before the Income Tax Department. A demand has been issued by the IT department against compensation received against compulsory land acquisition of Rs 34.02 lakhs, which is 100% exempt from income tax under section 96 of RFCTLARR Act, 2013.*

vi. *As on date we have an outstanding demand of* ***₹*** *1,900/- pertaining to A.Y. 2017-18 the Promoter has made a payment of Rs. 1,900/- as on 13.10.2021. However, the demand of Rs. 1,900/- is still reflecting on the Income Tax Portal pertaining and the same is under dispute.*

vii. *As on date we have an outstanding demand of* ***₹*** *910/- pertaining to A.Y. 2018-19 the Promoter has made a payment of Rs. 910,/- as on 13.10.2021. However, the demand of Rs. 910/- is still reflecting on the Income Tax Portal pertaining and the same is under dispute.*

OTHER MATERIAL LITIGATIONS

A. LITIGATIONS AGAINST OUR COMPANY:

1. CRIMINAL MATTERS:

Nil

2. WILFUL DEFAULTER:

Our Company does not appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES[1]:

Nil

[1] The Regulatory or Statutory Authorities for the purpose of this Chapter include but are not limited to SEBI, RBI etc.

OTHER PENDING PROCEEDINGS:

M/s. Welkin Tech Vs. M/s. AB Cotspin India Limited.

It is to be noted that on request of our Company, M/s. Welkin Tech had provided the services of installing chemical earthing in the manufacturing unit of our Company. A bill no. 001 dated 8.04.2014 for an amount of ₹ 24,150/- was issued by M/s. Welkin Tech for the services provided. It is further pertinent to note that assurance was given by M/s. Welkin Tech that they will install the chemical earthing and that will decrease the voltage below 1 level, otherwise, the same will be removed and taken back. Believing the same, our Company decided to install the chemical earthing, however, despite installation of earthing system the problem could not be solved and the voltage still remained upto 2.5-3 voltage. M/s. Welkin Tech failed to fulfil its promise of controlling the voltage and hence our Company is of the view that M/s. Welkin Tech is not entitled to claim the bill. M/s. Welkin Tech filed a suit for recovery of **₹ 27,030/-** along with interest before Additional Civil Judge (Senior Division), Sirsa against our Company. The Hon'ble court passed the judgement in favour of M/s. Welkin Tech and directed our Company to pay an amount of ₹ 24, 150/- along with interest @6 % per annum from the date of filing of the suit till realization of amount.

Our Company has filed an appeal against the said order and the matter is pending before Hon'ble Court of Addl. Civil Judge, Sr. Division, Sirsa.

B. LITIGATIONS FILED BY OUR COMPANY:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil.

C. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY:

1. CRIMINAL MATTERS:

Nil

2. WILFUL DEFAULTERS:

None of our Directors' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

Nil

4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

D. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

E. LITIGATIONS AGAINST OUR PROMOTER/S:

1. CRIMINAL MATTERS:

Nil

2. DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION:

Nil

3. WILFUL DEFAULTERS:

None of our Promoters' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

4. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

Nil

5. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

F. LITIGATIONS FILED BY OUR PROMOTER/S:

1. CRIMINAL MATTERS:

Nil

2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter — "Management Discussion and Analysis of Financial Condition and Result of Operation" on page 147 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO CREDITORS

As of June 30, 2021, we had 31 creditors. The aggregate amount outstanding to such creditors as on June 30, 2021 was ₹ 77.75 Lakhs.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 0.77 Lakhs, which is 1 % of the total trade payables of our Company as per the Restated Financial Statements of our Company for the year ended June 30, 2021 included in this Red Herring Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 0.77 Lakhs was owed as on June 30, 2021, were considered 'material' creditors. Based on the above, there are 31 material creditor(s) of our Company as on June 30, 2021, to whom an aggregate amount of ₹ 77.75 Lakhs was outstanding on such date.

Details of outstanding dues owed as at June 30, 2021 to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (₹ in Lakhs)
MSMEs	8	17.94
Other Creditors	23	59.81

The details pertaining to amounts due towards the material creditors are available on the website of our Company at www.abcotspin.com

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.abcotspin.com, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all

material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business a player in business as manufacturers, dealers, distributors, agents, buyers, sellers, exporters, importers, commission agents, in raw or grey cotton, cotton yarn, cotton waste kapas, oil cakes, raw cotton related all products, acrylic and yarn of all kinds, other allied cotton and textile products, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled "Key Industry Regulations and Policies" on page 113 of this Red Herring Prospectus.

The Company has its business located at:

Registered Office: 176 Homeland Enclave, Bathinda, Punjab 151001.

Manufacturing Unit: Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.

Warehouse 1: Asian Tube Godown Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.

Warehouse 2: Balaji Rice Mill Godown, KotheSampuran, Singhwala, Bishnandi Road, Jaitu, Punjab 151202.

Shop cum godown:- Bhupa Singh wali Gali, Goniana Mandi,Distt. Bathinda, Punjab-151202

Plot/ Land/Property:

1. Land vide Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2 situated opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.

2. Agricultural Land vide Khasra Nos. 325/14/2, 1020, 519/21/2/2, 372/10/2 opposite Reliance Petrol pump, Bathinda Road, Jaitu, Dist: Faridkot, Punjab 151202.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on April 1,2021 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting/Annual General Meeting held on April 26, 2021 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange –EMRGE Platform of National Stock Exchange of India Ltd. for the listing of our Equity Shares pursuant to letter dated December 23, 2021.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated May 10, 2021 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated May 8, 2021 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is INE08PH01015.

Lenders Consent

As on the date of the RHP, we have obtained NOC dated April 20, 2021 for the Issue from our lender HDFC Bank Ltd.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated June 23, 1997 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh, in the name of "**GANGA COTTEX PRIVATE LIMITED**".
2. Fresh Certificate of in Incorporation Consequent upon Conversion from Private Company to Public company issued on March 26, 2010 by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh in the name of "**GANGA COTTEX LIMITED**".
3. Further fresh Certificate of Incorporation Consequent upon change of name issued on December 24, 2010 by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh in the name of "**AB COTSPIN INDIA LIMITED**".
4. The Corporate Identification Number (CIN) of the Company is U17111PB1997PLC020118.

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1.	Certificate of Importer- Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	3009018304	March 26, 2010	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2.	Udyam Registration Certificate	Government of India, Ministry of Micro, Small and Medium Enterprises.	PB-03-0000015	July 03, 2020	NA
3.	License to work a factory under Rule 8 of the Factories Act, 1948 and Rules made thereunder	Chief Inspector of Factories, Department of Labour, Punjab	MOG0FL4191	December 10, 2019	December 31, 2022

4.	Fire Safety Certificate under the Punjab Municipal Infrastructure Development Company.	Punjab Municipal Infrastructure Development Company.	4020-40580-Fire/28233	July 29, 2021	July 29, 2022
5.	Certificate of License under Section 10 of The Punjab Agricultural Produce Markets Act, 1961 Punjab State Agricultural marketing Board	Secretary, Punjab State Agricultural Marketing Board	FDK/JAI/211	April 01, 2011	March 31, 2024
6.	Registration-cum-Membership Certificate of TEXPROCIL (the Cotton Textiles export promotion coincil)	Officer of the E P council, Joint Directorate	MY/30099(2011)-A	April 01, 2021	March 31, 2022
7.	Certificate for Change of Land Use for Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2	Senior Town Planner-Housing & Urban Development Department Punjab Bureau of Investment Promotion, GoP	PBIP/CAPA (HUD)/ 2021/310	July 26, 2021	NA

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAACG5789P	June 23, 1997	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	AMRG12133C	September 22, 2010	Perpetual
3.	Goods and Service Tax Identification Number for Punjab	Government of Punjab and Government of India	03AAACG5789P1Z1	July 01, 2020	NA

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention &Control of Pollution) Act, 1974	Punjab Pollution Control Board, Bhatinda	CTOW/Renewal/FDK/ 2021/14686264	March 27, 2021	Septembe r 30, 2025
2.	Consent to Operate issued by State Pollution Control Board under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981	Punjab Pollution Control Board, Bhatinda	CTOA/Renewal/FDK/ 2021/14686187	March 27, 2021	Septembe r 30, 2025
3.	Consent to Establish (NOC) u/s 25 of the Water (Prevention & Control of Pollution) Act, 1974 for Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2	Punjab Pollution Control Board, Faridkot	CTE/Exp/FDK/2021/1 6088747	08/09/2021	07/09/202 2
4.	Consent to Establish (NOC) u/s 21 of the Air (Prevention & Control of Pollution) Act, 1981 for Khasra Nos. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2	Punjab Pollution Control Board, Faridkot	CTE/Exp/FDK/2021/1 6088747	08/09/2021	07/09/202 2

INTELLECTUAL PROPERTY RIGHTS

We have registered the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application Number	Date of Application	Validity/ Renewal	Registration Statis
1.	AB COTSPIN INDIA LTD.	Device Mark	23	AB COTSPIN	4998336	08/06/2021	Valid	Registered

				INDIA LIMITED				
2.	AB COTSPIN	Word	23	AB COTSPIN INDIA LIMITED	4998327	08/06/2021	valid	Registered

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Our Company has purchased an agricultural land at Jaitu, Dist. Faridkot vide Khasra Nos. 325/14/2, 1020, 519/21/2/2, 372/10/2 for future expansion of the manufacturing unit. We have yet to apply for Conversion of the said agricultural Land into non-agricultural land to the concerned district authority.
2. In addition to the conversion of the land for the above mentioned agricultural land, our Company has to yet apply for Consent to Establish from Punjab Pollution Control Board under section 25 of Water (Prevention and Control of Pollution) Act, 1974 and under section 21 of Air (Prevention and Control of Pollution) Act, 1981.
3. We are yet apply for the following material licenses/approvals with regards to the land purchased at Jaitu Dist., Faridkot vide Khasra No. 373/14/3, 373/15/2/4, 373/16, 373/17, 373/24/1, 373/24/2, 373/24/3, 373/25/1, 373/25/2, 325/14/2, 1020, 519/21/2/2, 372/10/2 :-
   (i) Approvals required under Punjab Factories Rules, 1952
   (ii) Consent from Punjab Pollution Control Board under Hazardous Waste (Management, Handling and Transboundary) Rules, 2008 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
   (iii) Consent to Operate from Punjab Pollution Control Board under section 25 of Water (Prevention and Control of Pollution) Act, 1974 and under section 21 of Air (Prevention and Control of Pollution) Act, 1981
   (iv) Environmental Clearances from Competent Authority, as applicable NOC issued by the Fire Department .

PENDING APPROVALS

Our Company has made an application for obtaining Consent to Operate certificate having application number 15648690 dated Novemmber 11, 2021 under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008 and the same is still pending.

MATERIAL LICENSES NOT TRACEABLE

Our Company has regularly been contributing to the Employee Provident Fund Organization since inception, however the Employee Provident Fund Organization Certificate in name of the Company is not traceable.

MATERIAL LICENSES NOT APPLICABLE

The registered office of our Company is situated in the area where the Employees State Insurance Corporation is not applicable.

The Company has not applied for renewal of Star House Certificate as the Company's export performance does not meet the eligibility criteria required to apply for the Certificate for the current period. The eligibility criteria states that the current financial year's export turnover plus the previous three financial years' export turnover must be USD 3 million for one star house certificate. Hence, it is not applicable to Our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board passed at their meeting held on April 1, 2021 which was subject to the approval of shareholders through special resolution. The shareholders of our Company have approved this issue vide a Special Resolution passed at an Extra Ordinary General Meeting held on April 26, 2021 at the Registered Office of our company. This Red Herring Prospectus has been approved by our Board pursuant to a resolution dated December 24,2021 and by the IPO Committee pursuant to a resolution passed on December 24,2021.

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated December 23,2021.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Directors, Promoters, Promoter Group, person in control of our Company, are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Red Herring Prospectus.

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended ("**SBO Rules**") to the extent applicable. Our Company and members of the Promoter Group are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Red Herring Prospectus.

Neither our Promoters, nor any of our Directors or persons in control of our Company were or is 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 the SEBI or any other governmental authorities as on the date of this Red Herring Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action initiated against them by SEBI in the past 5 years.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors have been identified as wilful defaulter(s) by the RBI or any other governmental authority.

ELIGIBITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 229(2) and other provisions of chapter IX of the SEBI (ICDR) Regulations, 2018 as the post offer face value capital is more than ₹ 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall under write at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled "*General Information*" beginning on page 53 of this Red Herring Prospectus.

2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 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 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.

3. We have filed Draft Red Herring Prospectus with stock exchange. The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation

246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Red Herring Prospectus shall also be furnished to the SEBI in a soft copy.

4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled "*General Information*" beginning on page 53 of this Red Herring Prospectus.
5. Our Company is incorporated under Companies Act, 1956.
6. The Company has track record of 3 years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the date of filing of this Red Herring Prospectus.
7. Net-worth of the Company is positive as per the latest audited financial statements.
8. The Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. No petition for winding up is admitted by a court of competent jurisdiction against the company.
11. The Company has website www.abcotspin.com
12. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company (ies), group companies, companies promoted by the promoters/promoting companies of the Company.
13. There is no default of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company (ies), group companies, companies promoted by the promoters/promoting companies of the Company.

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 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 20, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE

OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Chandigarh, in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.abcotspin.com would be doing so at his or her own risk.

BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters and our Company.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and bidders at large and no selective or additional information would be available for any section of the bidders in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the BRLM or any other member of the Syndicate shall not be liable to the Bidders for any i) failure in uploading the Bids due to faults in any software/hardware system or otherwise. Ii) The blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

CAUTION

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any bidders on whether such bidder is eligible to acquire Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issues handled by Pantomath Capital Advisors Private Limited, please refer "Annexure A" to this Red Herring Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

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 authorized 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 applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as

specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself 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 Mumbai, Maharashtra 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, except that this Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 where required agrees that such applicant will not sell or transfer any Equity Shares 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, legislations and Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange of India Limited has given vide its letter December 23,2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchange on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India Limited should not in any way be deemed or construed that the offer document has been cleared or approved by National Stock Exchange of India Limited; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.

LISTING

An application has been made to the Emerge Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Offer Document vide its letter dated December 23,2021.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all

moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Company and (b) Book Running Lead Manager/ Underwriter, Registrar to the Issue , Legal Advisor to the Issue have been obtained and consents from Syndicate Member, Market Maker, Public Issue Bank / Banker to the Issue/Refund Banker to the Issue/Sponsor bank, to act in their respective capacities has been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

Except as stated below, Our Company has not obtained any expert opinions:

- Report of the Auditor on Statement of Tax Benefits
- Report of the Auditor on Restated Financial Statements for the period ended June 30, 2021 and financial year ended March 31, 2021, 2020 and 2019 of our company.
  However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

PREVIOUS RIGHTS AND PUBLIC ISSUES

Except as stated in the chapter titled *"Capital Structure"* beginning on page 63 of this Red Herring Prospectus, we have not made any previous rights and/or public issues during last 5 years, and is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES

Neither our Company nor any of our Group Company have undertaken any capital issue or any public or rights issue in the last three years preceding the date of this Red Herring Prospectus.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTER COMPANY

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, none of our Subsidiaries or Promoter Companies are listed on any stock exchange, so, data regarding promise versus performance is not applicable.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, UPI Id (if applicable), 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 SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 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.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on April 26, 2021. For further details, please refer to the chapter titled "*Our Management*" beginning on page 126 of this Red Herring Prospectus.

Our Company has appointed Kannu Sharma as Company Secretary and Compliance Officer and she may be contacted at the following address:

AB Cotspin India Limited
176, Homeland Enclave,
Bathinda, Punjab – 151001.
Tel: +91 01635513604
Email: cs@abcotspin.in
Website: www.abcotspin.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc*.

PURCHASE OF PROPERTY

Except as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus. Except as stated elsewhere in this Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or Deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, 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 FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchange, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application since this IPO will not be under Phase I.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari - passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page 214 of this Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders 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, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled *"Dividend Policy"* on page 143 of this Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is ₹ 10 each and the Issue Price at the lower end of Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in All edition of the English national newspaper Business Standard , All edition of the Hindi national newspaper Business Standard and the Regional newspaper Daily Nawan Zaman in Punjab , Punjabi being the regionl language where the registered office of our company is located. , each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading the same on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the website of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all applicable 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 & 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 issue 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 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page 214 of this Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated May 8, 2021 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 10, 2021 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI (ICDR) Regulations, 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 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

NOMINATION FACILITY TO BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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 the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation 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 our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions 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 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 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 in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

In the event of withdrawal of the Offer, a fresh Red Herring Prospectus will be submitted again to SEBI for any subsequent plans of a fresh offer by our Company, in terms of the UPI Circulars, in relation to the Offer, the Lead Managers will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead

Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	Thursday, December 30, 2021
Bid / Issue Closing Date [(1)]	Monday, January 03,2022
Finalization of Basis of Allotment with the Designated Stock Exchange	Thursday, January 06, 2022
Unblocking of funds from ASBA Accounts / Initiation of Refunds	On or before Friday, January 07, 2022
Credit of Equity Shares to demat accounts of Allottees	On or before Monday, January 10, 2022
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday, January 11, 2022

(1) UPI mandate end time and date shall be at 12.00pm on Januray 4,2022.

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band 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.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids 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 Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids 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 Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times.

Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either

side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (issue) period disclosed in the red herring prospectus (in case of a book built issue) or the issue period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of three working days, subject to the Bid/ Offer Period not exceeding 10 working days.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date ofactual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-issue BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST")) during the Bid / Offer Period (except on the Bid / Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form except that:

(i) on the Bid / Offer Closing Date:

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

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 and 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 30 days from the date of the Red Herring 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 issue 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 refund the entire subscription amount received. If there is a delay beyond fifteen 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 the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above ₹ 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter 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 and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than ₹ 1,000 lakhs but below ₹ 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the*

votes cast by the shareholders other than the Promoter 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.

MARKET MAKING

The shares issued through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled *"General Information"* beginning on page 53 of this Red Herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. 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 EMERGE Platform of National Stock Exchange of India Limited.

OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 63 of this Red Herring 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 section titled "*Main Provisions of the Articles of Association*" beginning on page 214 of this Red Herring Prospectus.

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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running 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 the Red Herring 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 STRUCUTRE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 184 and 193 of this Red Herring Prospectus.

Following is the issue structure:

Initial Public Issue of upto 28,84,000 Equity Shares of face value of ₹ 10/- each fully paid (the 'Equity Shares') for cash at a price of ₹ [●]/- (including a premium of ₹ [●]/-) aggregating to ₹ [●] Lakhs. The Issue comprises a Net Issue to the public of up to 27,36,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 28.02% and 26.58% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of 1,48,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

Particulars	Market Maker Reservation Portion	Non – Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	1,48,000 Equity Shares	13,68,000 Equity Shares	13,68,000 Equity Shares
Percentage of issue Size available for allocation	5.13 % of issue Size	50.00 % of the Net issue Size available for the allocation	50.00 % of the Net issue Size available for the allocation
Basis of Allotment / Allocation if respective category is oversubscribed	Firm allotment	Proportionate	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled *"Issue Procedure"* beginning *on* page 193 of the Red Herring Prospectus
Mode of Bid cum Application	Through ASBA Process only	Through ASBA Process only	Through ASBA Process only
Minimum Bid Size	1,48,000 Equity Shares of Face Value of ₹ 10.00 each	Such number of Equity shares in multiple of [●] Equity shares such that Application size exceeds ₹ 2,00,000	[●] Equity Shares of Face Value of ₹ 10.00 each
Maximum Bid Size	1,48,000 Equity Shares of Face Value of Rs 10 each	Not exceeding the size of the Issue, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof

Particulars	Market Maker Reservation Portion	Non – Institutional Bidders	Retail Individual Bidders
	required under the SEBI ICDR Regulations		
Terms of payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form, or in the UPI-linked bank account in the case of Retail Individual Bidders using the UPI Mechanism.		

1) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.*

2) *In terms of Rule 19(2)(b)(i) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	Thursday, December 30, 2021
Bid / Issue Closing Date	Monday, January 3, 2022
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Thursday, January 6,2022
Initiation of Refunds	On or before Friday, January 7,2022
Credit of Equity Shares to demat accounts of Allottees	On or before Monday January 10,2022
Commencement of trading of the Equity Shares on the Stock Exchange	On or before, Tuesday January 11,2022

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars on Streamlining of Public Issues (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 ("**UPI Circular**") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019.*

*Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**") with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-2019 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular has come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Red Herring Prospectus*

*Thereafter, the final reduced timeline may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Issue will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Issue Opening Date. If the Issue is made under UPI Phase III, the same will be advertised in Business Standard all editions of the English national daily newspaper, Business Standard all editions of the Hindi national daily newspaper, and regional edition of the Punjabi newspaper being Regional newspaper Daily Nawan Zaman, on or prior to the Bid / Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites.Further SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 have brought the implementation of the aforesaid circular dated march 16, 2021 in accordance with the revised timelines for certain of its provisions based on representations received from the stakeholders due to Covid-19 pandemic. The revisions of the circular dated June 02, 2021 are elaborated as under:-*

- *SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc shall be included in SMS for Public Issues opening on/after January 01, 2022.*

- *The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.*

- *In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc, the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.*

- *The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.*

- *The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e, the day when the Basis of Allotment (BOA) has to be finalized.*

- *The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.*

- *Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.*

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Further the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue has been made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process and the allocation to the public will be made as per Regulation 253 of the SEBI ICDR Regulations.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to

all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the website of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue shall use only UPI payment mechanism for application.

The bid cum application form submitted by NIIs and QIBs must provide bidder's bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form. Further, Retail Individual Investors submitting bid cum application form using UPI shall mention the UPI of the his/her own Bank account in the bid cum application form in the relevant space and the Bid cum Application Forms that do not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

**excluding electronic Bid cum Application Form*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and *SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021*.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange.

Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or Sponsor Bank, as applicable, at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

i. an SCSB, with whom the bank account to be blocked, is maintained

ii. a syndicate member (or sub-syndicate member)

iii. 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")

iv. a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

v. a registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as 'Intermediaries'), shall enter their UPI ID in the Bid-Cum-Application Form. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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.

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors other than Retail Individual Investors to intermediaries other than SCSBs	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. 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.
For applications submitted by Retail Individual Investors to intermediaries other than SCSBs with use of UPI for payment	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of Stock Exchange. Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on Retail Individual Investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investor. Retail Individual Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by Stock Exchange.

Stock Exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

WHO CAN BID?

In addition to the category of Bidders, set forth in the GID, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organizations authorized in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing RBI regulations, OCBs cannot participate in this Issue.

PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLM and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids 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.

BIDS BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non- Residents (blue in colour). For details of restrictions on investment by NRIs, please refer to the chapter titled "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 211 of this Red Herring Prospectus.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals;

BIDS BY FPIS INCLUDING FIIS

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' are subsumed under a new

category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

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 AIF 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 AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration offered under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company

reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, 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: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under 1, 2 and 3 above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, Government of India, Systemically Important Non-Banking Financial Company or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, 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 along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

SIGNING OF UNDERWRITING AGREEMENT AND REGISTERING OF RED HERRING PROSPECTUS/ PROSPECTUS WITH ROC

(a) Our Company have entered into an Underwriting agreement dated December 06, 2021.

(b) A copy of the Red Herring Prospectus will be registered with the RoC and copy of Prospectus will be registered with ROC in terms of Section 32 of the Companies Act, 2013 and Section 26 of the Companies Act, 2013. The Prospectus will contain details of the Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National daily Newspaper; (ii) Hindi National daily Newspaper; and (iii) Regional Newspaper, each with wide circulation at the place where the Registered Office of the Company is situated. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date and the floor price or price band along with the

necessary details subject to Regulation 250 of the SEBI ICDR Regulations. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Please note that NIIs are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Issue period and withdraw their Bid(s) until Bid/ Issue closing date.

In addition to the general instructions provided in the General Information Document, Bidders are requested to note the additional instructions provided below:-

A. Do's and Don'ts

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. All Bidders should submit their Bids through the ASBA process only;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
7. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
8. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Bid cum Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Bid cum Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
9. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;
10. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
11. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
12. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue;
13. RIBs submitting a Bid cum Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being

used for making the Bid is listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

14. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Bid cum Application Form;
15. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI
16. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
17. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
18. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment.
19. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
20. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
21. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
22. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
23. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries
24. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim 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. All other applications in which PAN is not mentioned will be rejected;
25. Ensure that the Demographic Details are updated, true and correct in all respects;
26. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
27. Ensure that the category and the investor status is indicated;
28. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
29. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and

Indian laws;

30. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
31. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
32. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
33. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
34. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
35. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
36. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
37. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
38. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid / Offer Closing Date.
39. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
40. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
41. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock

invest;

4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;
5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by Non-Institutional Bidders);
10. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
11. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs using the UPI Mechanism
21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

All communications may be addressed to such Bidders and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

A Bidder should submit only one Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, the sub-Syndicate, SCSB, Registered Broker, RTA and CDP and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

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 Bidders should inform their respective DP.

SUBMISSION OF BIDS

a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.

b) In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

c) For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Red Herring Prospectus.

GROUNDS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount blocked does not tally with the amount payable for the 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;
- Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price.
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-Off Price by NIIs.
- Bids for number of Equity Shares which are not in multiples of the Equity Shares as specified in the Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

- Bids accompanied by stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectusand the Bid cum Application Forms;
- In case, no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchange; and
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form /Application Form. Bids not duly signed by the sole/First Bidder.
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;
- Submission of Bid cum Application Forms/Application Form using third party ASBA Bank Account;
- Submission of more than one Bid cum Application Form per UPI ID by RIIs bidding through Designated Intermediaries;
- In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;
- Bids submitted by RIBs using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at
- https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and *vice-versa*.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALSED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

(a) Agreement dated May 8, 2021 among NDSL, the Company and the Registrar to the Issue; and

(b) Agreement dated May 10, 2021 among CDSL, the Company and the Registrar to the Issue.

The Company's shares bear ISIN no INE08PH01015.

IMPERSONATION

Attention of the Bidders 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of our 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 ₹ 5 million or with both.

PROCEDURE AND TIME OF SCHEDULE FOR ALLOTMENT AND DEMAT CREDIT

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. **Bidders 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 Bidders who have been Allotted Equity Shares in the Issue.

(a) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(b) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account which will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Non-Institutional Investors shall be available for Allotment to Retail Individual Bidders, who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the

aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Net Issue size less Allotment to Retail Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

Names of entities responsible for finalising the Basis of Allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter‘s contribution in full has already been brought in;
6. That except Pre-IPO Placement, no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

10. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

11. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be 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 referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company 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 separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.

6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITITES

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 DIPP**,** has issued consolidated FDI Policy Circular of 2020 **("FDI Policy 2020")**, which with effect from October 15, 2020, 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 from time to time and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI issues Master Directions on Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, 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 Directions.

Under the current applicable FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is involved in the business of manufacturing. 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates.

At Present, the FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 has been superseded by FEMA (Non -Debt Instruments) Rules, 2019 dated October 17, 2019 (FEMA Non-Debt Rules). The sectoral cap given in the FEMA Non-Debt Rules shall come into effect from April 01, 2020.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. An erstwhile OCB may transfer equity instruments subject to the directions issued by the Reserve Bank of India from time to time in this regard. 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.

Investment conditions/restrictions for overseas entities

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, Foreign Portfolio Investors (FPIs), Non-Resident Indian (NRI)/ Overseas Citizen of India (OCI), Limited Liability Partnerships (LLPs), Foreign Venture Capital Investor (FVCI), Investment Vehicles and Depository Receipts (DRs) under Schedule I, II, III, VI, VII, VIII and IX of the FEMA Non Debt Rules. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the sectoral cap.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

Aggregate FPI upto 49% of the paid up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in the transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in the FEMA Non Debt Rules.

Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy 2020 till the time the new sectoral cap as mentioned in the FEMA Non-Debt Rules

comes into effect. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

With regards to purchase/sale of equity instruments of an Indian company by an FPI under PIS, the total holding by each FPI or an investor group shall be less than 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 % and 24 % will be called the individual and aggregate limit, respectively.

With effect from the April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in sub-paragraph (b) of paragraph 3of Schedule I of the FEMA Non Debt Rules, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants.

The aggregate limit as provided in sub-paragraph (b) of paragraph 3 of Schedule I may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively. Also, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 %.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity instruments as defined under the FEMA Non Debt Rules of a listed Indian company on repatriation basis on a recognised stock exchange in India by NRI or OCI is allowed subject to certain conditions under Schedule III of the FEMA Non Debt Rules that is:

The total holding by any individual NRI or OCI shall not exceed 5 % of the total paid-up equity capital on a fully diluted basis or should not exceed 5 % 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 % of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 % of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 % may be raised to 24 % 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

The Schedule IV of the FEMA Non-Debt Rules deals with Purchase/ sale of equity Instruments or convertible notes or units or contribution to the capital of a LLP by a NRI or OCI on non-repatriation basis. It shall be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions by RBI.

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 20003/71/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 Red Herring 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 Red Herring 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.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

(THE COMPANIES ACT, 2013)
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION
OF
A B COTSPIN INDIA LIMITED

I. PRELIMINARY

Application of Table F

The regulations contained in table 'F' of schedule I to the Act shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.

The heading to these Articles, Sections, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of these Articles.

II. INTERPRETATION

(*1*) In these regulations—

"the Act" means the Companies Act, 2013.

"**Articles**" shall mean these articles of association of the Company, as amended from time to time;

"**Assets**" means all assets, rights and privileges of any nature and all goodwill associated therewith, including without limitation all rights in respect of all contracts, Intellectual Property, but excluding Property;

"Beneficial Owner" means a person whose name is recorded as such with a depository.

"**Board**" means the board of directors of the Company and includes every committee consisting of a Director;

"**Business**" shall mean the business(es) as specified in the objects clause of the Memorandum of Association of the Company.

"Company" means A B Cotspin India Limited a public company incorporated under the Companies Act, 1956;

"Depositories Act" means the Depository Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a company which has been granted a certificate of registration under the securities and Exchange Board of India Act, 1992.

"**Director**" shall mean a director on the Board;

"**Equity Shares**" means the equity shares having face value of Rs 10 (Rupees ten only) each in the share capital of the Company;

"**Extraordinary General Meeting"** means the meaning ascribed as per Article 88 of these Articles;

"**Law(s)**" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives, decrees, injunction, judgment and orders of any government, statutory authority, tribunal, board, court or recognized stock exchange and, if applicable, government recommendation or restriction, government assessment or international treaties and regulations;

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"**Memorandum**" means the memorandum of association of the Company;

"**Person(s)**" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, government authority or trust or any other entity or organization;

"**Property**" shall mean all Freehold and Leasehold Properties;

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

"**Seal"** means the common seal of the Company as per Article 127;

"Security/Securities" shall mean Equity Shares or any securities convertible into Equity Shares, including, any partially or fully convertible debentures, or any warrants, options, coupons or instruments which may enable the holder thereof to acquire Equity Shares and/ or any voting rights in the Company and/or its Subsidiaries, as the case may be;

"**Shareholder(s)**" shall mean the duly registered holders of Equity Shares and or any securities convertible into Equity Shares;

"**Transfer**" shall mean to transfer, sell, assign, pledge, hypothecate, escrow, create an Encumbrance in or lien on, place in trust (voting or otherwise), transfer by operation of Law or otherwise dispose of any legal, beneficial, equitable or economic interest or in any manner whatsoever, or to transfer ownership or economic interest by issuance of any securities, rights, or obligations or in any other manner whatsoever;

"Words" importing (i) persons include corporations and individuals, (ii) singular number include the plural number and vice versa or (iii) the masculine gender also include the feminine gender.

(*2*) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

III. CAPITAL

1. Capital of the Company

The authorized share capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in clauses V of the Memorandum of Association with the power to increase or reduce the capital in accordance with these Articles and provisions of the Act and the regulations made thereunder for the time being in force in that behalf with the powers to divide or sub-divide, consolidate the share capital, whether original, increased or decreased, into several classes and attach thereto respectively such ordinary preferential or special rights and conditions in such manner as may be for the time being be provided by the regulations of the Company and allowed by the Law.

2. Increase of Share Capital

The Directors may, with the sanction of the Company in General Meeting if necessary, increase the Share Capital by Right Issue of Shares, Preferential Issue of Shares, Issue of Bonus Shares, Sweat Equity Shares or in such other manner as may be permitted by the Act or any other applicable law in accordance with the provisions laid down under thereunder, by such sum to be divided into Share of each amount, as the resolution shall prescribe.

3. Issue & Allotment of shares otherwise than for cash

Subject to the applicable provisions of the Act and these Articles, the Board, subject to approval of shareholders if necessary, may issue & allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied

or for services rendered, to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash.

4. New Capital same as existing Capital

Except so far as otherwise provided by the conditions of Issue, or by these Articles, any Capital raised by the creation of new shares, shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.

5. Issue of new Capital

The Company may issue new shares as issue of Bonus Shares as per Section 63 of the Act, Preferential Allotment of Shares as per Section 62 of the Act, Issue of Sweat Equity Shares, Right Issue of Shares or in such other manner as may be permitted by the Act or any other applicable law in accordance with the provisions laid down under thereunder to the existing or new members on the terms of issue resolved by the shareholders in General Meeting.

New Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct, and, if no direction be given as the Directors shall determine.

The Share Capital of the Company may comprise of the following classes:
(i) Equity Share Capital:
(a) with voting rights; or
(b) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed from time to time.
(ii) Preference Share Capital; and / or
(iii) Any other kind of capital, whether equity share capital, preference share capital or otherwise as allowed by the Act/Law from time to time and whether with differential rights as to dividend, voting or otherwise.

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.

6. Offer of new Shares to Members

The new Shares shall, unless otherwise decided by the Company by Special Resolution, be offered to the Members in proportion to existing Shares held by each Member and such offer shall be made by notice specifying the number of Shares to which the Member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the Member to whom such notices is given that he declines to accept the Shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

7. Redeemable Preference Shares

Subject to the provisions of section 55 of the Act, any preference shares may, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

8. Issue of sweat equity shares by the Company

The Company may issue sweat equity shares subject to fulfillment of conditions as mentioned in the Act and rules made thereunder and also issue shares to the employees including Directors of the Company under the employees stock option scheme.

9. Reduction of Share Capital

Pursuant to Section 66 of the Act, the Company may, from time to time, by Special Resolution and approval from appropriate authority if necessary, reduce its Capital by paying off Capital or cancelling Capital which has been lost or un-represented by available assets, or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient and Capital may be paid off upon the footing that it may be called up again or otherwise; and the Directors may, subject to the provisions of the Act, accept surrender of Shares.

10. Purchase (Buy Back) of own Shares and Securities

Subject to the Act and these Articles, the Company may purchase its own shares or other specified securities in accordance with sections 67-70 of the Act.

11. Acceptance of Shares

Any application signed by or on behalf of an applicant for shares in the Company followed by allotment of any share therein notified to the applicant, shall be an acceptance of shares within the meaning of these Articles, and every Person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

12. Issue of Debentures & other securities

Subject to the applicable provisions of the Act and other applicable Law, any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, subject to such terms and conditions as think fit by the Company and may be issued on the condition that they shall be convertible into Shares of any denomination and subject to such conditions as to redemption, surrender, allotment of Shares, etc. The Company shall have power to issue non-convertible debentures and securities subject to the provisions of the Act.

IV. SHARE CAPITAL AND VARIATION OF RIGHTS

13. 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.

14. (*i*) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or 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 fees as may be prescribed for each certificate after the first.

(*ii*) Every certificate including duplicate share certificate, shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(*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.

(iv) Particulars of Every certificates issued shall be entered in the register of members maintained in the form set out in the Act.

15. If any shares stand in the name of two or more persons, the person first named in the register, shall as regard receipt of dividends, the service of notices, and subject to the provisions of Articles, all or any other matter connected with the Company Except the issue of share certificates, voting at meeting and transfer of share, be deemed the sole holder thereof.

16. (*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 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

such fees as may be prescribed. Where a renewed/duplicate share certificate shall be issued, particulars of every such certificate shall be entered in the Register maintained for such purpose.

(*ii*) The provisions of Articles 12, 13 and 14 shall *mutatis mutandis* apply to debentures of the company.

17. 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.

18. (*i*) The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(*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.

19. (*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 with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(*ii*) To every such separate meeting, the provisions of these regulations relating 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.

20. 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 share ranking *pari passu* therewith.

21. Where any share capital is sub divided, the company in general meeting subject to the provisions of sections 43 and 47 of the Act, may determine that, as between the holders of the shares resulting from such sub division, one or more of such shares shall have some preferential or special rights as regards dividend, repayment of capital, voting or otherwise.

22. Subject to the provisions of section 55 of the Act, any preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution, determine.

Dematerialisation of Shares

23. The Company may dematerialise all or any of its existing Shares & other securities, rematerialize all or any of its Shares & other securities held in the Dematerialised mode and/or to offer its fresh Shares & other securities or buyback it's Shares in dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any.

24. The Company shall intimate the Depository, the details of allotment of securities in electronic form. The Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Securities.

25. Every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be a member of the Company. Except as otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof

as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company.

26. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with physical and dematerialised form in any medium as may be permitted by Law, including in any electronic form.

27. In the case of transfer and transmission of shares, debentures or other securities, where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

28. Every Depository shall furnish to the Company, information about the transfer and transmission of shares & other securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

29. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

V. LIEN

30. (*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

(*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 wholly or in part exempt from the provisions of this clause.

(*ii*) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

31. 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—

(*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.

32. (*i*) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(*ii*) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(*iii*) 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.

33. (*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.

(*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.

VI. CALLS ON SHARES

34. (*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:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
(*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/her shares.

(*iii*) A call may be revoked or postponed at the discretion of the Board.

35. 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.

36. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

37. (*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 ten percent p.a. or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

38. (*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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations 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.

39. 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 not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

(c) Money so paid in excess of the amount of calls shall not rank for dividends, or confer a right to participate in profits or exercise voting rights. The Directors may at any time repay the amount so advanced.

40. On the trial or hearing of any suit or proceeding brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share it shall be sufficient to prove that the name of the defendant is or was, when the claim arose; on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such sum is made and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, was duly convinced or constituted evidence of the debt.

41. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of the portion of any money which shall from time to time be due from any member of the Company in respect of his shares either by any of principal or interest not any indulgence granted by the Company in respect of the Payment of such money, shall prelude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

The provisions of these Articles mutatis mutandis shall apply to any other Securities of the Company relating to calls.

VII. NOMINATION OF SHARES

42. Notwithstanding anything contained in these Articles, every holder of shares in, or holder of debentures of the Company may either singly or jointly anytime nominate a person or persons in the prescribed manner to whom the shares and/or interest of the member in the Capital of the Company or debentures shall be transferred in the event of his death. A member may revoke or very his or her nomination or anytime by notifying the Company to that effect.

43. Where the share in, or debentures of the Company are held by more than one person jointly, the joint holders up to two persons may together nominate, in the prescribed manner, a person in whom all the rights in the shares in or debentures of the Company shall vest in the event of Death of all the joint holders.

44. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or holder of debentures of the Company or as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusions of all other persons, unless the nomination is varied or cancelled.

45. Any person who becomes a nominee by virtue of required in the name aforesaid and upon the production of such of nominee evidence as may be requires by the Board or Committee thereof and subject as herein after provided, elect either;

(i.) To be registered himself as holder of shares or debentures, as the case may be; or

(ii.) To make such transfer of shares or debentures, as the deceased shareholders or debenture holder, as the case may be, could have made.

46. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased share holder or debenture holder, as the case may had transferred the shares or debentures, as the case may be, before his death.

47. No person shall be recognized by the Company as a nominee unless the shareholder has during his life time, giving intimation to the Company of his having appointed as nominee in the manner specified under section 72 of the Act.

VIII. TRANSFER OF SHARES

48. (*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.

49. 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 sub-section (*1*) of section 56;

(*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.

50. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, 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.

51. The Board may, subject to the right of appeal conferred by section 58 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.

52. All instrument of transfer which shall be registered shall be retained by the Company for such period as may be prescribed in the Act from time to time. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

53. No fee shall be charged for transfer or transmission.

54. The Company shall keep the register of transfer, and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.

55. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering such transfer, the Director shall promptly give notice to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such register holder fails to lodge an objection in writing at the office within allowed time, he shall be deemed to have admitted the validity of the said transfer.

56. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities of the Company.

IX. TRANSMISSION OF SHARES

57. (*i*) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(*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.

58. (*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—

(*a*) to be registered himself as holder of the share; or

(*b*) to make such transfer of the share as the deceased or insolvent member could have made.

(*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.

59. (*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.

(*ii*) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(*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.

60. On the transfer of the shares being registered in his name, 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 complied with.

61. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities of the Company.

X. FORFEITURE OF SHARES

62. 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 (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

63. The notice aforesaid shall—

(*a*) name a further day (not being earlier than the expiry of 14 (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.

64. 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before, the date of forfeiture which shall be the date on which the resolution of the Board is passed forfeiting the shares.

65. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

66. (*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 together with interest at 9 % p.a. or such other lower rate as the Board may determine from the time of the forfeiture, until

payment, and the Board may enforce the payment thereof if they think fit, but shall not be under any obligation to do so;

(*ii*) 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.

67. (*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;

(*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;

(*iii*) The transferee shall thereupon be registered as the holder of the share; and

(*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.

68. 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.

69. The forfeiture of a share involve the extinction of all interest in and also of all claims and demands against the Company in respect of share and all other rights incidental there to except only such of those rights as by these Articles are expressly saved.

70. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificates originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any share, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

XI. ALTERATION OF CAPITAL

71. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

72. Subject to the provisions of section 61 of the Act, the Company in General meeting may alter conditions of its Memorandum of Association to:

(a) Increase its authorized share capital by such amount as it thinks 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.

73. 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 regulations 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.

(*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.

(*c*) such of the regulations 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.

74. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

(*a*) its share capital;
(*b*) any capital redemption reserve account; or
(*c*) any share premium account.

75. Subject to the provisions of the Act and these Articles, the Company may purchase its own shares or other specified securities in accordance with the provisions of sections 67 to 70 of the Act, applicable rules and any other applicable provision of the Act or any other law for the time being in force.

XII. CAPITALIZATION OF PROFITS

76. (*i*) The company in general meeting may, upon the recommendation of the Board, resolve—

(*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

(*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.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

(*A*) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(*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;

(*C*) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(*D*) 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;

(*E*) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

77. (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(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

(*b*) generally do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(*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 in fractions; and
(*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;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

XIII. GENERAL MEETINGS

78. All general meetings other than annual general meeting shall be called extraordinary general meeting.

79. (*i*) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(*ii*) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

XIV. PROCEEDINGS AT GENERAL MEETINGS

80. (*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 section 103 of the Act.

(iii) No general, annual or extra ordinary meeting shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which such meeting has been convened or called.

81. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

82. 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.

83. If at any meeting no director is willing to act as Chairperson or if no director is present within half an hour after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

84. No business shall be discussed at any general meeting except the election of a chairman whilst the chair is vacant.

85. In the event of equality of votes, whether on show of hands or electronically or on a poll, the Chairman of the Meeting shall have a second or casting vote.

86. An Annual General Meeting of the Shareholders shall be held as per Section 96 of the Act and shall be called during business hours and on any day that is not a National Holiday and shall be held either at the

registered office of the company or as mentioned in Section 96 of the Act with a maximum time gap of 15 months between any two such meetings. All other meetings of the Shareholders other than an annual general meeting shall be as per the Section 100 of the Act and shall be held whenever requested by a majority of the Directors of the Board, or by any Shareholder in accordance with the Memorandum and the Articles.

87. Each Shareholder shall be given notice of the day, time, date, and place of Shareholders' meeting at least Twenty One (21) clear days prior to the date such Shareholders' meeting is to be held; provided, however, that except as may otherwise be required by mandatory provisions of applicable Law or by the Articles, the period for such notice with respect to any particular meeting, may be shortened or dispensed with altogether if consent in writing or by electronic mode of such Shareholders entitled to vote at a Shareholders' meeting is obtained as per Section 101 of the Act.. Every notice of a Shareholders' meeting shall set out the particular businesses proposed to be transacted at such Shareholders' meeting along with the texts of resolutions that are proposed to be adopted at such meeting, and no items save and except those specified in the Notice may be discussed at any Shareholders' meeting, except in accordance with the Act..

88. The quorum for a general meeting shall be as provided in the Act. If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the Company, or if during a meeting there is no longer a quorum-

(*a*) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
(*b*) the meeting, if called by requisitionists under section 100, shall stand cancelled:

If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

89. At any Shareholders' meeting duly convened, the Shareholders shall respectively be present in person through their duly authorized representatives appointed in accordance with the applicable Law or by proxy, for the purpose of complying with the requirements of a valid quorum, and shall vote all the Equity Shares owned and held by them at such meeting in accordance with the Articles, and in such manner in accordance with the provisions of the Act,

90. A document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed in the Act.

XV. ADJOURNMENT OF MEETING

91. (*i*) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(*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.

(*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.

(iv) save as aforesaid, and as provided in section 103 of 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.

XVI. VOTING RIGHTS

92. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(*a*) on a show of hands, every member present in person shall have one vote; and

(*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.

93. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

94. (*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.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

95. 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, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have to be deposited at the office not less than 24 hours before the time of holding of meeting or adjourned meeting at which such person claims to vote.

96. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

97. 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, or in respect of share on when the Company has exercised any right or lien, have been paid.

98. (*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.

XVII. PROXY

99. Any member of a Company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf. 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.

100. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

101. 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.

XVIII. BOARD OF DIRECTORS

102. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them and in our case the. The First Directors shall be:

i. Mr. Deepak Garg
ii. Mr. Manohar Lal
iii. Mr. Ram Dayal Garg
iv. Mr. Tarsem Lal Bansal
v. Mr. Chaman Lal Bansal

103. The number of Directors shall not be less than three and not more than fifteen, inclusive of nominee Directors.

104. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

105. (*i*) Subject to the provisions of section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director and nominee 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.

(*ii*) The additional director 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.

(iii) Subject to the provisions of section 161 of the Act the Board shall have the power to appoint an Alternate Director to act for a director during his absence for a period of not less than three months from India.

106. 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.

107. At every Annual general meeting of the Company one third of such of the Directors for the time being as are liable to retire by Rotation, or if their number is not three or multiple of three, than the number nearest to one third shall retire from the office in accordance with the provisions of section 152 of the Act.

108. (a) Director excluding the Managing Director and Whole time Director may be paid for each meeting of the Board or a Committee thereof, attended by him a sum not exceeding as specified and prescribed in the Act from time to time.

(b) Subject to section 197 of the Act the remuneration of a Director shall be determined by the company and may be by way of salary or participation in profit either by way of percentage of profits or otherwise or partly by way of salary or commission or participation in profit or partly by one such way and partly by another.

(c) Subject to the provision of Section 197 of the Act, if any director, being willing shall be called upon to perform extra services for the purposes of the company, the company shall remunerate such Director by a fixed sum or by percentage of profits or both, as may be determined by the board of Directors and such remuneration may either be in addition to, or in substitution for, his remuneration above provide.

(d) 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.

109. Notwithstanding anything to the contrary, the Company shall have the Board comprising of such number of independent Directors as may be prescribed under applicable Laws.

110. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

XIX. PROCEEDINGS OF THE BOARD

111. (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Subject to provisions of Section 173 of the Act a minimum number of four

meetings of Board of Directors shall be held every year in such a manner that not more than One Hundred and Twenty Days shall intervene between two consecutive meetings of the Board.

(*ii*) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

112. 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.

113. (*i*) The chairman of the Board of Directors shall preside at all the meetings of Board of Directors. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*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 members to be Chairperson of the meeting.

114. (*i*) A committee may elect a Chairperson of its meetings.

(*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 members present may choose one of their members to be Chairperson of the meeting.

115. (*i*) A committee may meet and adjourn as it thinks fit.

(*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.

116. 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 appointed and was qualified to be a director.

117. Subject to restrictions placed under section 175 and 179 or any other provisions of the Act and these Articles, resolution of the Board of Director can be passed by circulation and they shall be as valid and agreeable as if they had been passed at a meeting of Board of Directors duly called and constituted. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

118. The quorum necessary for the transaction of business as per Section 174 of the Act shall be one-third of its total strength (any fraction contained in one third being rounded off to one) or two Directors whichever is higher.

If quorum is not present within thirty minutes from the time when the Board meeting should have begun, or if during a Board meeting there is no longer a quorum, , the Board meeting shall be adjourned to such time and place, , as the Chairman of the Board may determine. The aforesaid quorum requirements shall

also be applicable at such adjourned Board meeting. Provided further that, if such adjourned meeting does not have quorum prescribed under the Act then the Meeting shall stand cancelled.

119. A meeting of the Board of Director for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions by or under the articles of the company for the time being vested on or exercisable by the Board of Directors generally.

Provided that nothing in this Article shall be deemed to validate the acts done by a Director once his appointment has been shown to the company to be invalid and could have terminated.

120. The Board of Directors may from time to time, with majority of Directors for the time being so entitled make such by laws as may be considered necessary or desirable in regard to the affairs or the conduct of the business of the company or of Board of Directors or the committee and in all like manner may vary, amend, alter any such by-laws, provided they are not inconsistent with or contrary to these articles and the Board of Directors shall duly comply with and give effect to them.

The Company shall maintain the minutes of meeting of the Board of Directors and its Committees in accordance with the provisions of the Act:

(a) of all appointment of officers made by the Board of Directors;
(b) of the names of Directors present at each meeting of the Board of Directors and of any committee of the Board of Directors.
(c) of all resolutions and proceeding at all meetings of the company and of the Boards of Directors and of the committee of Board of Directors.

XX. POWER OF THE BOARD OF DIRECTORS

121. Subject to the provisions of the Act, the control of the company shall be vested in the Board of Directors, who shall pay all expenses incurred in promoting and registering the company and be entitled to exercise all such power and to all such acts and things as the company is authorized to exercise and do, provided the Board of Directors shall not exercise any power or do any act or thing prohibited by the Act or by any other statute or by the Memorandum of the company or by these Articles or is otherwise to be exercise or done by the company in General Meeting, provided further that in exercising any such powers or doing any such act or things, the Board of Directors shall be subject to the provisions in that behalf contained in the Act or any other statute or in Memorandum of the company on these Articles or in any regulations not inconsistent therewith and duly made there under including regulations made of the company in General meetings but no regulations made by the company shall invalidate any prior act of the Board of Directors which would have been valid if that regulation had not been made.

122. Subject to the provision of the Act, the Board of Directors may appoint any member or member from their body to work as Manager or Technical Directors or Director in-charge of production, administration or Distribution or in any other capacity on such terms and conditions as the Board of Directors may decide and may subject to section 179 of the Act, delegate any of their powers by such resolution or power given at any time. The Board of Directors may similarly delegate any of their powers and also to revoke such powers at their discretion.

XXI. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

123. Subject to the provisions of the Act and these Articles,—

(*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 thinks 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;

(*ii*) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

124. 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.

XXII. THE SEAL

125. (*i*) The Board shall provide for the safe custody of the seal.

(ii) The seal shall not be affixed to any instruments except in the presence of at least one Director or the Company Secretary or any other person authorized by a resolution of the Board of Directors and such Director or the Company Secretary or the Authorized Person shall sign every instrument to which the seal be affixed in his/their presence. Such signatures shall be conclusive evidence of the fact that the seal has been properly affixed. In the case of share certificates the seal shall be affixed in the presence of: (a) Two Directors if authorized by the Board and (b) the secretary or some other person appointed by the Boards of Directors for the purpose.

XXIII. DIVIDENDS AND RESERVE

126. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

127. Subject to the provisions of section 123 of the Act and the applicable rules there under, 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.

128. (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sum as it thinks proper 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 provisions 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 investment (other than shares of the Company) as the Board may, from time to time, think fit.

(b) The Board may also carry forward any profits that it may think prudent not to divide, without setting them aside as a reserve.

129. (a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and be paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid, but if so long and nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of these regulations as paid on the share.
(c) All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any proportion or proportions 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 shares rank for dividend accordingly.

130. 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.

131. (a) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant or any other instrument, mode of payment as permitted by the Act from time to time. Any such instrument for payment of Dividend be sent through the post directed to the registered address of the holder or, in the case 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.

(b) Every such cheque or warrant or any other instrument, mode of payment as permitted by the Act from time to time, shall be made payable to the order of the person whom it is sent.

132. Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.

133. Notice of any dividends that may have declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

134. No dividends shall bear interest against the Company.

135. The company shall comply with the provisions of Section 123, 124 and 125 of the Act and rules made there under, in respect of any dividend remaining unpaid or unclaimed with the company.

136. The company shall comply with the provisions of section 123 to 125 of the Act and rules made there under, in respect of any money remaining unpaid with the company in the nature of (i) application moneys received by the company for allotment of any securities and due refund, (ii) deposits received by the company and due for repayment , (iii) debenture issued by the company and matured for redemption and (iv) the interest if any, secured on the amounts referred at items (i), (ii) and (iii) respectively" or any other amount specified under Section 125(1) of the Act..

137. The Company while declaring and making payment of Dividend shall ensure the compliance of the Act and rules there under and put into effect any amendment thereto from time to time.

XXIV. ACCOUNTS

138. The Boards of Directors shall cause proper books of account to be kept respect of:
(i.) All sums of money received and expended by the company and matter in respect of which the receipts and expenditure take place;
(ii.) All sales and purchase of goods by the company; and
(iii.) The assets and liabilities of the company.

139. The Books of account shall be kept at the registered office of the company or, subject to section 128 of the Act at such other place as the Boards of Directors think fit and shall always be open to the inspection of Directors.

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). 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.

140. The Boards of Directors shall, from time to time, in accordance with sections 129 of the Act, cause to be prepared and to laid before the company in Annual General Meeting, the Financial Statements consisting of profit and loss Account, Balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in Annual General Meeting together with a copy of the Auditor's Report shall be sent to every member and every holders of debentures of the company and to every person required under the Act provided this regulation shall not require a copy all those document to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

XXV. AUDIT

141. Once in every year the account of the company shall be examined by Auditors.

142. The Company at Annual General Meeting shall appoint an auditor or auditors as per Section 139 of the Act to hold office and his appointment, remuneration, right and duties shall be regulated by sections 139 to 146 of the Act.

143. Casual vacancies in the office of Auditor shall be filled as per Section 139 of the Act.

XXVI. WINDING UP

144. Subject to the provisions of Chapter XX of the Act and rules made thereunder read with any other law for the time being in force-

(*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 of the assets of the company, whether they shall consist of property of the same kind or not.

(*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.

(*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.

XXXVII. BORROWING POWERS

145. Subject to Sections 179 and 180 of the Act, the Board of Directors may, from time to time at their discretion borrow and secure the payment of any sums of money for the purpose of the company.

146. Subject to Section 73 of the Act, the Company may accept deposits from its members on such terms & conditions, including the provision of security, if any, or the repayment of such deposit with interest as may be agreed between the Company and its members.

147. Subject to the provisions of the Act and these Articles, the Board may secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects at they think fit and in particular by the issue of bonds, debentures, debenture stock or by way of charge on the whole or any part of the assets of the Company (both present and future) including its uncalled capital for the time being.

XXXVIII. MANAGEMENT

148. Subject to the provisions of the Act and also subject to the control and superintendence of the Board of Directors, the business and affairs of the company shall be carried on and managed by the Managing Director(s) and/or Whole Time Directors or Directors for the time being and they shall have power and authority on behalf of the company to deal with the Directors for the time being and they shall have power and authority on behalf of the company to deal with the customer or persons having dealings with the company, to enter into all contracts and to do all other things necessary or desirable in the management of the affairs and business of the company or otherwise and engage engineer, clerks, fields officers, professional consultants, other employees, etc. as may be thought proper upon such terms and condition as may be desirable, and to draw and accept on behalf of the company all bills of exchange promissory notes handles, cheque, drafts and other negotiable instruments, open bank accounts, operate such account and issue necessary instructions to the Bank and to refer to arbitrations in or outside the court and file, submit, institute, defend, compromise, withdraw or abandon any legal or other proceedings concerning the affairs of the company and to file any appeal, revision, review or reference application, any document in any court or before any tribunal, judicial/government authority, etc. and to do all such acts which are necessary and incidental to run or manage the affairs of the company in the interest of the company.

149. Subject to the provision of sections 196 of the Act, the company may in general meeting from time to time appoint one or more Directors to be Managing and/or whole time Director of the company for such period and on such terms as the company may think fit and subject to provisions of section 169 of the Act and subject to the terms of any agreement entered into with him, may revoke such appointment. In making such appointment(s) the Board shall ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may from time to time revoke, withdraw alter or vary all or any of such powers.

150. Subject to provision of Section 152 of the Act, a managing Director shall not while he continues to hold that office, be subject to retirement by rotation, nor shall he be reckoned as a directors for the purpose of determining the rotations or retirement of Directors, and (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other directors; and he shall ipso facto and immediately; cease to be managing director if he ceases to hold the office of Directors from any cause. However, if number of Director required to retire by rotation exceeds one-third of the total number of the Directors for the time being, then Board of Directors may select such number of directors including Managing Director, be liable to retire by rotation.

151. Subject to the provisions of Section 197 of the Act, Managing Director & Whole Time Directors of the company under these Articles may receive such remuneration and other benefits as may be sanctioned by the company from time to time.

152. The Board shall be entitled to exercise all such powers, and do all such acts and things as the Company is authorized to do, save for those powers which are specifically excluded by the Memorandum and the Articles.

153. At Board meetings, each Director shall have one (1) vote with respect to each matter upon which action is to be taken. All decisions of the Board shall be decided by a simple majority of the Directors present and voting at a Board meeting. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

154. Board meetings shall be convened by the chairman of the Board or as otherwise provided by applicable Law. Provided that, not less than a minimum of Seven (7) Days prior written notice shall be given to each Director of any Board meeting (unless in any particular case a majority of the Directors agree for a Board meeting at shorter notice pursuant to applicable provisions of the Act.

155. Notice of a Board meeting shall be sent to the registered address of the Directors or through e-mail accompanied by a written agenda specifying the business of such meeting and copies of all materials and papers relevant for such Board meeting.

156. Subject to applicable Law, the Directors may participate in Board meetings (or meetings of the committees of the Board) by video conferencing or audio visual means or any other means of communication as prescribed in the Act and rules made thereunder, provided that, each individual taking part in such meetings is able to hear and communicate with other individuals taking part.

157. The quorum and other requirements applicable to a Board meeting (or meetings of the committees of the Board) shall also apply to a meeting held in accordance by participation in video conference or audio visual means or any other means of communication as prescribed in the Act.

158. The Board shall organize additional committees of the Board for delegating the powers of the Board, consisting of such member(s) of the Board, as to the extent permitted under applicable Law or required there under. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. The proceedings of such a committee shall be placed before the Boards of Directors at its next meeting. A committee may elect a Chairperson of its meetings.

XLII. SECRECY

159. No Directors or other officers or employees of the company shall divulge, make known or course to be divulged or made known by any secret information that may gain or have in the course of discharge of his duties and shall be bound to keep strict secrecy in respect of all things, acts of transactions of the company and shall be liable to compensate, reimburse and make good any loss or damage sustained by the company on account of his default under this Article.

XLIII. BRANCH OFFICE

160. The Company shall have the powers to establish branch office subject to the provisions of Section 2 (14) of the Act or any statutory modifications thereof.

161. XLIV. GENERAL POWER

162. Wherever in the Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

XLV. OPERATION OF BANK ACCOUNTS

163. The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundis and bills or may authorise any other person or persons to exercise such powers.

XLVI. KEY MAN INSURANCE

164. The Company may purchase Key Man Insurance policy of such amounts as may be decided by the Board with benefits payable to the Company covering the Key Employees and such of the promoters as may be identified by the Board

XLVII. INDEMNITY

165. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Names, Descriptions, Address, and Occupation of Subscribers	Signature of Subscribers	Names Address, and witness to the Subscribers
Manohar Lal S/o. Sh. Daulat Ram Mall Road, Goniana, Distt. Bathinda. (Business)	Sd/-	
Deepak Garg S/o. Sh. Manohar Lal B-52/1, Mall Road, Goniana, Distt. Bathinda (Business)	Sd/-	I Witness the Signature all the subscribers
Chiman Lal S/o Sh. Chiranji Lal, Jaitu, Distt Faridkot (Business)	Sd/-	Sd/- (R. S.Bansal) S/o Sh P.L.BansaI R.BansaI & Co M.No. 13000 Chartered Accountants 4907, P.O.Bajar Bathinda
Tarsem Lal S/o Sh. Chiranji Lal C/o Sh. Chiranji Lal Chaman Lal Ganga Wale, Jaitu (Business)	Sd/-	
Ram Dayal Garg S/o Sh. Manohar Lal The Mall, Goniana Mandi, Distt. Bhatinda	Sd/-	

SECTION IX – 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 Red Herring Prospectus which are or may be deemed material have been entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 176, Homeland Enclave, Bathinda, Punjab-151001, India from date of filing the Red Herring Prospectus with RoC on working days from 10.00 a.m. to 5.00 p.m. until the Bid Closing Date

Material Contracts

1. Issue Agreement dated April 28, 2021 between our Company and the BRLM;
2. Registrar Agreement dated December 06, 2021 between our Company and Link InTime India Private Limited, Registrar to the Issue;
3. Underwriting Agreement dated December 06, 2021 between our Company and Underwriter viz. BRLM;
4. Market Making Agreement dated December 06, 2021 between our Company, Market Maker and the BRLM;
5. Bankers to the Issue Agreement dated December 06, 2021 amongst our Company, the BRLM, Banker(s) to the Issue, Sponsor Bank and the Registrar to the Issue;
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated May 8,2021;
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 10, 2021;
8. Syndicate Agreement dated December 06, 2021 between our Company, the BRLM and Syndicate Member.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time;
2. Resolutions of the Board of Directors dated April 1, 2021 in relation to the Issue and other related matters;
3. Copy of Board Resolution dated March 9, 2021 and Shareholder's Resolution dated March 31, 2021 setting out terms and conditions for appointment of Deepak Garg as Managing Director;
4. Shareholders' resolution dated April 26, 2021 in relation to the Issue and other related matters;
5. Statement of Tax Benefits dated November 19,2021 issued by M/s. Shiv Jindal & Co. Chartered Accountants.
6. Copies of letters to SEBI for seeking Exemption under regulation 300(1) of SEBI ICDR Regulations, 2018 dated February 10, 2021, March 05, 2021 and March 25, 2021.
7. Approval from SEBI for the Exemption sought under regulation 300(1) of SEBI ICDR Regulations,2018 dated March 30, 2021
8. Copies of the annual reports of our Company for the financial years ended as on March 31, 2021, 2020 and 2019.
9. Report of the peer reviewed Auditor M/s. Shiv Jindal & Co, Chartered Accountants dated October 28, 2021 on the Restated Financial Statements for the period ended on June 30, 2021 and financial years ended as on March 31, 2021, 2020 and 2019 of our Company.
10. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Company, Legal Advisor to the issue, the Book Running Lead Manager, Registrar to the issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker to the Issue/Sponsor Bank and Syndicate Member to act in their respective capacities.
11. Due diligence certificate dated December 20, 2021 from the BRLM.
12. Copy of In-Principle approval from National Stock Exchange of India Limited *vide* letter dated December 23, 2021 to use the name of National Stock Exchange of India Limited in this issue document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Deepak Garg *Managing Director* *DIN – 00843929*	Sd/-
Manoharlal *Whole time Director* *DIN – 02406686*	Sd/-
Ramesh Kumar *Non-executive Director* *DIN – 07684009*	Sd/-
Preet Kamal Kaur Bhatia *Independent Director* *DIN – 07070977*	Sd/-
Puneet Bhandari *Independent Director* *DIN –03625316*	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Niti Rajan Bansal
Sd/-
Chief Financial Officer

Kannu Sharma
Sd/-
Company Secretary and Compliance Officer

Place: *Bhatinda*
Date: December 24,2021

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Surani Steel Tubes Limited	12.92	52.00	February 06, 2019	53.10	-4.81% (-0.04%)	-7.69% (4.84%)	-19.33% (-0.59%)
2.	Ritco Logistics Limited	48.18	73.00	February 07, 2019	77.40	-5.00% (-0.81%)	-3.49% (3.53%)	-8.70% (-0.73%)
3.	Artedz Fabs Limited	8.32	36.00	March 29, 2019	40.00	5.56% (1.12%)	-9.44% (1.92%)	-34.17% (-0.31%)
4.	Par Drugs and Chemicals Limited	8.53	51.00	May 16, 2019	52.90	-6.47% (5.03%)	-7.84% (-2.94%)	-11.96% (5.83%)
5.	Suich Industries Limited	30.86	75.00	June 13, 2019	68.50	-42.00% (-2.53%)	-61.93% (-6.53%)	-80.67% (1.88%)
6.	Gensol Engineering Limited	17.93	83.00	October 15, 2019	85.40	0.06% (4.18%)	0.06% (8.03%)	2.41% (-22.37%
7.	Mangalam Global Enterprises Limited	21.57	51.00	November 27, 2019	53.00	1.96% (0.21%)	5.10% (-2.24%)	Not Available*
8.	Madhav Copper Limited (FPO)	25.50	102.00	February 06, 2020	102.00	-23.04% (-9.46)	Not Available*	Not Available*
9.	V-Marc India Limited	23.40	39.00	April 9, 2021	46.50	-15.48 % (-0.08%)	-31.08 % (7.04%)	-17.74% (20.14)
10.	Exxaro Tiles limited	160.78	120.00^	August 16, 2021	126.00	23.69% (4.93%)	16.19% (9.30%)	Not Available

**Since, Mangalam Global Enterprises Limited and Madhav Copper Limited are migrated from SME platform to Main board platform, historical price of such scripts are not available.*

^Discount of ₹ 12 offered to Eligible employees. All calculations based on ₹ 120 per equity share.

Note:

Sources: All share price data is from www.bseindia.com and www.nseindia.com.

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
19-20	*4$	95.86	-	1	1	-	-	2	1	-	1	-	-	1
20-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21-22	**2	184.18	-	-	1	-	-	1	-	-	1	-	-	-

*The script of Par Drugs and Chemicals Limited, Suich Industries Limited, Gensol Engineering Limited, Mangalam Global Enterprises Limited were listed on May 16, 2019, June 13, 2019, October 15, 2019 and November 27, 2019 respectively.

$ The share price of Mangalam Global Enterprises Limited is not available as of 180th day as the same has been migrated from sme platform to main board platform.

As on 30th trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

** The Script of V-Marc India Limited was listed on April 9, 2021 and Exxaro Tiles Limited was listed on August 16, 2021.***Note:*** *Madhav Copper Limited is Further Public Offering lead managed by Pantomath Capital Advisors Private Limited in the Financial Year 2019-2020 and the same has not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only*.