

**Draft Red Herring Prospectus**

Dated: February 25, 2025

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

Please read Section 26 & 32 of the Companies Act, 2013

100% Book Built Issue

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

**VIVEKANAND COTSPIN LIMITED**
(Formerly known as Vivekanand Cotspin LLP)
CIN: U13111GJ2024PLC154066

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat, India	NA	Ms. Komal Vijaybhai Chauhan, Company Secretary and Compliance Officer.	Tel. No.: +91 9227825102 E-mail: cs@vcottonexport.com	www.vcottonexport.com

PROMOTERS OF THE COMPANY: MR. NIRAV BHARATBHAI PATEL, MR. JASMIN VISHNUBHAI PATEL, MR. BHARATBHAI PRAHALADBHAI PATEL, MR. VISHNUBHAI PRAHALADDAS PATEL, MR. GAUTAM BHARATKUMAR PATEL, B P PATEL FAMILY TRUST AND V P PATEL FAMILY TRUST

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 55,00,000 Equity Shares of ₹ [●]/- each.	Nil	[●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. For details in relation to share Reservation among QIBs, NIIs and RIIs, see "Issue Structure" on page 238 of this Draft Red Herring Prospectus.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10.00 each. The Issue Price, Floor Price or Price Band as determined by our Company in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 98 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 25 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares Issued through this Draft 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 [●] from National Stock Exchange of India Limited ("NSE") for using its name in this offer document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 Grow House Wealth Management Private Limited	Mr. Hill Shah	Email: ipo@growhousewealth.com Tel. No.: +91 93204 18005

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)	Mr. Shanti Gopalkrishnan	Email: vivekanand.smeipo@linkintime.co.in Tel. No.: +91 810 811 4949

BID/ISSUE PROGRAMME

ANCHOR INVESTOR PORTION ISSUE OPENS/CLOSES ON:	[●]*
BID/ISSUE OPENS ON:	[●]
BID/ISSUE CLOSES ON:	[●]

*Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.


VIVEKANAND COTSPIN LIMITED

(Formerly known as Vivekanand Cotspin LLP)

CIN: U13111GJ2024PLC154066

Our Company was originally formed and registered as a Limited Liability Partnership under the Limited Liability Partnership Act, 2008 (“LLP Act”) in the name and style of “Vivekanand Cotspin LLP” (LLPIN: AAE-4147) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on July 21, 2015. Further, “Vivekanand Cotspin LLP” was thereafter converted from a Limited Liability Partnership to a Private Limited Company under part I Chapter XXI of Section 366 of Companies Act, 2013 with the name of Vivekanand Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Center on August 5, 2024. The Corporate Identification Number of our Company is U13111GJ2024PTC154066. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 02, 2024 and a fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 160 of this Draft Red Herring Prospectus.

Registered Office: S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat, India **Tel No.:** +91 9227825102; **Email:** cs@vcottonexport.com **Website:** www.vcottonexport.com

Contact Person: Ms. Komal Vijaybhai Chauhan, Company Secretary and Compliance Officer.

OUR PROMOTERS: MR. NIRAV BHARATBHAI PATEL, MR. JASMIN VISHNUBHAI PATEL, MR. BHARATBHAI PRAHALADBHAI PATEL, MR. VISHNUBHAI PRAHALADDAS PATEL, MR. GAUTAM BHARATKUMAR PATEL, B P PATEL FAMILY TRUST AND V P PATEL FAMILY TRUST

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 55,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF VIVEKANAND COTSPIN LIMITED (“VCL” OR “OUR COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS, OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹ [●] AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”) AND NET ISSUE TO PUBLIC OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹ [●] AGGREGATING TO ₹ [●] LAKHS (HEREINAFTER REFERRED TO AS THE “NET ISSUE”) THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH. THE PRICE BAND 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 I.E. [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER I.E. [●] AND GUJRATI EDITION OF THE REGIONAL NEWSPAPER, [●], 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 (“NSE”), REFERRED TO AS THE “DESIGNATED STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, 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, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (“Net QIB Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled “Issue Procedure” on page 242 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each. The Issue Price, Floor Price or the Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in 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 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 25 of this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on 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 [●] from National Stock Exchange of India Limited (“NSE”) for using its name in this offer document for listing our shares on the SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”). For the purpose of this Issue, the designated Stock Exchange is the National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

GROW HOUSE WEALTH MANAGEMENT PRIVATE LIMITED

Address: A-606, Privilon, Ambli Bopal Road, B/h. Iscon Temple, S.G. Highway, Ahmedabad-380054, Gujarat, India.

Tel. No.: +91 93204 18005

Email: ipo@growhousewealth.com

Website: <https://growhousewealth.com>

Investor Grievance Email: investorrelation@growhousewealth.com

Contact Person: Mr. Hill Shah

SEBI Registration No.: INM000013262

REGISTRAR TO THE ISSUE

MUFG INTIME INDIA PRIVATE LIMITED

(Formerly known as Link Intime India Private Limited)

Address: C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, India

Tel. No.: +91 810 811 4949

Email: vivekanand_smeipo@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: vivekanand_smeipo@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

BID/ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]*
BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSURES ON	[●]

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Industry Overview”, “Key Regulations and Policies”, “Statement of Possible Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” on pages 109, 150, 105, 188, 98, 272, 219, 204 and 272 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Term	Description
“VCL”, “the Company”, “our Company” and Vivekanand Cotspin Limited.	Vivekanand Cotspin Limited, a company incorporated in India under the Companies Act 2013 having its Registered office at S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat, India. Our Company was originally formed and registered as a Limited Liability Partnership under the Limited Liability Partnership Act, 2008 (“LLP Act”) in the name and style of “Vivekanand Cotspin LLP” (LLPIN: AAE-4147) and received a certificate of incorporation from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on July 21, 2015. Further, “Vivekanand Cotspin LLP” was thereafter converted from a Limited Liability Partnership to a Private Limited Company under part I Chapter XXI of Section 366 of Companies Act, 2013 with the name of Vivekanand Cotspin Private Limited and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Center on August 5, 2024. The Corporate Identification Number of our Company is U13111GJ2024PTC154066. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 02, 2024 and a fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

Company related terms

Term	Description
AOA / Articles / Articles of Association	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in “Our Management – Board Committees – Audit Committee” on page 164.
Auditors/ Statutory Auditors/Peer Review Auditors	The Auditors of Vivekanand Cotspin Limited being M/s Mistry & Shah LLP, Chartered Accountant having a valid Peer Review certificate Peer Review No 014683.
Bankers to the Company	The Bank of Baroda Limited and State Bank of India.
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 164 of this Draft Red Herring Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Nirav Bharatbhai Patel.

CIN	Corporate Identification Number of our Company i.e. U13111GJ2024PLC154066
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. Irfan Abdulbhai Mansuri.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Komal Vijaybhai Chauhan.
DIN	Directors Identification Number.
D&B Report	Industry report titled “Industry Report on Cotton Yarn” issued by Dun & Bradstreet. The D&B Report shall be available on the website of our Company at www.vcottonexport.com . The D&B Report has been exclusively commissioned and paid for by us in connection with the Issue.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Erstwhile LLP	M/s. Vivekanand Cotspin LLP (A LLP formed on July 21, 2015 between Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel)
Erstwhile Partners	Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in “Information with Respect to Group Companies” on page 217 of this Draft Red Herring Prospectus.
Independent Director	Non-executive and independent director(s) of our Company who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.
ISIN	International Securities Identification Number. In this case being INE1JJP01018
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 164 of this Draft Red Herring Prospectus.
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “Basis of Issue Price” beginning on page 98 of this Draft Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on January 18, 2025 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Nirav Bharatbhai Patel
MOA /Memorandum of Association	Memorandum of Association of Vivekanand Cotspin Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or 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.
Promoter(s)	The promoters of our Company namely Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 178 of this Draft Red Herring Prospectus.

Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “Our Promoters and Promoter Group” on page 178 of this Draft Red Herring Prospectus.
Registered Office and Manufacturing Unit	The registered of our Company, situated at S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat, India.
Restated Financial Statements	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information for the period ended September 30, 2024, August 04, 2024 (till the date before the conversion of LLP to Company), March 31, 2024, March 31, 2023 and March 31,2022, together with the annexure and notes thereto.
RoC/ Registrar of Companies	The Registrar of Companies, Ahmedabad.
Shareholder(s)	The holders of the Equity Shares of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares from time to time.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Stakeholders Relationship Committee	The Stakeholder’s Relationship Committee of our Board constituted in accordance with section 178(5) of the Companies Act, 2013 and the SEBI Listing Regulations
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel

ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the bid.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue to successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful bidder to whom the Equity Shares are being / have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹1,000 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date

Anchor Investor Portion	<p>Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.</p> <p>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations</p>
ASBA Account	A bank account maintained by an ASBA Bidder with a SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism.
ASBA Bidders	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Issue Account Bank(s), as the case may be.
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure” on page 242 of this Draft Red Herring Prospectus.
Bid	<p>An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor 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 and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form.</p> <p>The term “Bidding” shall be construed accordingly.</p>
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (regional language of Gujarat, where our Registered Office is located).</p> <p>Our Company, in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (regional language of Gujrat, where our Registered Office is located).
Bid/ Issue Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company, in consultation with the Book Running Lead Manager may consider</p>

	<p>closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of this Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Grow House Wealth Management Private Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker Centers of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker Centers if they are Bidding using the UPI Mechanism. The details of such broker Centers, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Not or advice or intimation sent to each successful bidder indicating the Equity which will be allotted, 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 and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price.
Client ID	Client Identification Number maintained with one of the Depositories in relation to Bidder's beneficiary account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the bidders such as their Address, PAN, name of the bidder father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository 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.
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may

	be Allotted to successful Bidders in the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●] will act as the Market Maker and 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 a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus/DRHP	Draft Red Herring prospectus dated February 25, 2025 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe or purchase the Equity Shares.
Eligible NRI(s)	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Offer or invitation under this Issue and in relation to whom the Bid cum Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●].
First 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.
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.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted

Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Issue	The Fresh Issue of up to 55,00,000 Equity Shares ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ [●] Lakhs.
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 (GID)	The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company.
GIR Number	General Index Registry Number.
IPO/ Issue / Issue Size/ Public Issue	Initial Public Offering
Issue Agreement	Issue Agreement dated February 19, 2025 amongst our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO	The initial public offering of up to 55,00,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs each (including a share premium of ₹ [●] each), aggregating up to ₹ [●] lakhs by our Company.
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “Objects of the Issue” page 86 of this Draft Red Herring Prospectus
Issue Price	The Price at which the Equity Shares are being issued/offered by our Company under this Draft Red Herring Prospectus being Rs. [●] per equity share.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “Objects of the Issue” on page 86 of this Draft Red Herring Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	[●]
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 10 each at an Issue price of Rs. [●] each aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this Issue.
Mutual Fund Portion	The portion of the Issue being 5% of the Net QIB Portion consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Net Proceeds	Proceeds of the Issue less our Company’s share of the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “Objects of the Issue” beginning on page 86 of this Draft Red Herring Prospectus.
Non-Institutional Bidders/ Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 2.00 lakhs (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price, out of which i) one third shall be reserved for Bidders with Bids

	<p>exceeding ₹ 2.00 lakhs up to ₹ 10.00 lakhs; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10.00 lakhs.</p> <p>Provided that the unsubscribed portion in either of the sub-categories specified in clauses (i) or (ii), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.</p>
Non-Resident/NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
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 any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with 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, including any addenda or corrigenda thereto.
Public Issue Account(s)	Bank account(s) to be opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Issue Account Bank(s)	The banks with which the Public Issue Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
QIB Category/ QIB Portion	The portion of the Issue (including the Anchor Investor Portion being not less than 75% of the Issue comprising not more than [●] Equity Shares, which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price.
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	<p>The red herring prospectus 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.</p> <p>The Bid/Issue Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.</p>
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Issue which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI.
Registrar Agreement	The agreement dated February 06, 2025 between 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.

Registrar to the Issue/ Registrar	MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
Retain Individual Bidders/ Retail Individual Investors(s)/ RII(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 2.00 lakhs in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System.
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4 or such other website as updated from time to time.
Specified Locations	Bidding Centers where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form.
Sponsor Bank(s)	The Bankers to the Issue registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	National Stock Exchange of India Limited.
Sub-syndicate Members	The sub syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into amongst our Company, the BRLM, the Syndicate Members and the Registrar, in relation to collection of Bids by the Syndicate.
Syndicate Members	Intermediaries (other than the BRLM) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●].
Syndicate/ members of the Syndicate	Together, the BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] entered among the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus with RoC.
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 person's bank accounts using a payment address which uniquely identifies a person's bank Account.
UPI Bidder(s)	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5.00 lakhs in the Non-Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5.00 lakhs shall use UPI and shall provide their UPI ID in the bid-cum- application

	form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
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/DIL- 2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI RTA Master Circular (to the extent that such circular pertains to the UPI Mechanism), SEBI ICDR Master Circular, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by NSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Banks to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Issue in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
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.
Willful Defaulter or Fraudulent Borrower	Willful defaulter or a fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars.

COMPANY AND INDUSTRY RELATED TERMS

Technical and Industry Related Terms

Term	Full Form
BOM	Bill of Materials
B/R	Blow room
CAGR	Compound Annual Growth Rate
FMCG	Fast-Moving Consumer Goods
MCX	Multi Commodity Exchange

OEE	Overall Equipment Efficiency
POY	Partially Oriented Yarn
PT	Per Tonne
Spdl	Spindle
TEXPROCIL	The Cotton Textiles Export Promotion Council
TPD	Tonnes per Day
TPM	Tonnes per Month
UGVCL	Uttar Gujarat Vij Company Limited

CONVENTIONAL TERMS / GENERAL TERMS / ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Fis	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product

Term	Description
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RFO	Revenue From Operations
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the

Term	Description
	SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE
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
SPV	Special Purpose Vehicle
TDS	Tax Deducted at Source
TAN	Tax Deduction Account Number
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
w.e.f.	With effect from
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974
WIP	Work in process
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
-, ()	Represent outflow

KEY PERFORMANCE INDICATORS

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit after Tax	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital employed (RoCE)	It is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America and its territories and possessions.

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Vivekanand Cotspin Limited”, and, unless the context otherwise indicates or implies, refers to Vivekanand Cotspin Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the stub period ended September 30, 2024 and August 04, 2024 (till the date before the conversion of LLP to Company) and for the financial years ended on March 31, 2024, 2023 and 2022 on standalone basis in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “Financial Information of our Company” beginning on page 188 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft 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 Review Auditor, set out in section titled “Financial Information of our Company” beginning on page 188 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “Definitions and Abbreviations” on page 1 of this Draft Red Herring Prospectus. In the section titled “Description of Equity Shares and Terms of the Articles of Association”, on page 272 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Exchange Rate

All references to:

“Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupee, the official currency of the Republic of India; and
“USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency*	For the year/period ended				
	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	₹83.83	₹83.77	₹83.38	₹82.18	₹75.91
1 SGD	₹65.27	₹63.12	₹61.81	₹61.75	₹56.03
1BDT (Bangladeshi Taka)	₹0.70	₹0.72	₹0.76	₹0.77	₹0.88
1CNY (Chinese Yuan)	₹11.94	₹11.70	₹11.55	₹11.96	₹11.97

*Source: <https://www.exchange-rates.org/>

Use of Industry & Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from the 'Industry Report on Cotton Yarn' which has been exclusively commissioned and paid for by our Company, for the purpose of understanding the industry in connection with this Issue, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's product, that may be similar to the D&B Report. This Draft Red Herring Prospectus contains certain data and statistics from the D&B Report, which is available on the website of our Company at www.vcottonexport.com

Dun & Bradstreet Information Services India Private Limited is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable. Further, D&B has confirmed that to the best of its knowledge no consent is required from any Government or other source from which any information is used in the D&B Report.

The D&B Report is subject to the following disclaimer:

"This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet ("Dun & Bradstreet") and its assumptions are based on varying levels of quantitative and qualitative analysis including industry journals, company reports and information in the public domain.

Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.”

For details of risks in relation to commissioned reports, see “Risk Factor No. 31-“Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” on page 25 of this Draft Red Herring Prospectus. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI (ICDR) Regulations, the section titled “**Basis for Issue Price**” on Page No. 98 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which 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 to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Fluctuation in the prices of raw material.
- Natural disasters, geopolitical factors, or poor harvests can lead to supply shortages or increased raw material costs.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Fail to attract, retain and manage the transition of our management team and other skilled employees;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Ability to respond to technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Recession in the market;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to expand our geographical area of operation
- Effect of lack of infrastructure facilities on our business;
- Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Business Overview” & and "Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 25, 130 & 190 respectively of the Draft 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.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Book Running Lead Manager and 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, our Company, and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II: OFFER DOCUMENT SUMMARY

A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

Summary of Business

Our company is engaged in the business of cotton processing and yarn manufacturing sector by way of Ginning of cotton and spinning of cotton yarn along with its trading. The products manufactured at our Company include Cotton bales, cotton seeds and Cotton yarn. The company operates in two primary areas: cotton ginning and spinning. In the ginning process, it separates cotton fibers from seeds, which is the first step in preparing raw cotton for textile production. Following this, the company focuses on spinning, where the clean cotton fibers are turned into yarn. This yarn, produced in various counts and quality grades, is used by textile mills for weaving and knitting fabrics.

For further details, please refer chapter titled “Business Overview” beginning on Page no. 130 of this Draft Red Herring Prospectus.

Summary of Industry

Textile manufacturing is one of the significant economic sectors in India, contributing to nearly 2.3% towards the gross domestic product (GDP). The industry accounts approximately 13% of overall industrial production, and nearly 12% of total export earnings. It is also one of the leading employers, employing nearly 45 million people across its various segments.

Currently Indian textile sector has the capability to meet increasing domestic demand as well as make a mark in international textile products trade. In readymade garment segments India has managed to garner close to 4% of global trade and has become the world’s second-largest producer of textiles and garments as well as the 6th largest exporter of apparels and clothing⁵. By value, the readymade garment segment alone contributed 45% share to total textile industry export from India.

For further details, please refer chapter titled “Industry Overview” beginning on Page no. 109 of this Draft Red Herring Prospectus.

B. OUR PROMOTERS

Our Company is promoted by Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust. For further details, see “Our Promoters and Promoter Group” on page 178 of this Draft Red Herring Prospectus.

C. SIZE OF THE ISSUE

Public Issue of upto 55,00,000 Equity Shares of Face Value of ₹10/- each of Vivekanand Cotspin Limited (“VCL” or “Our Company”) for Cash at a Price of ₹ [●] Per Equity Share (Including a Share Premium of ₹ [●] per Equity Share) (“Issue Price”) aggregating to ₹ [●] Lakhs, of which [●] Equity Shares of Face Value of ₹ 10/- each at a price of ₹ [●] aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of ₹ [●] aggregating to ₹ [●] Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute [●] and [●] respectively of the Post Issue paid up Equity Share Capital of Our Company.

D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Issue Size
1.	Funding capital expenditure requirement towards installation of additional plant and machinery	101.02	[●]
2.	Funding Working Capital Requirement of our Company	1590.00	[●]
3.	General Corporate Expenses	[●]	[●]
4.	Public Issue Expenses	[●]	[●]
Gross Issue Proceeds		[●]	[●]
Less: Issue Expenses		[●]	[●]
Net Issue Proceeds		[●]	[●]

E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

The aggregate pre-Issue and post-Issue shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus is set out below:

S. No	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital	
		No. of Equity Shares held	% of paid-up Equity Share capital	No. of Equity Shares held	% of paid-up Equity Share capital
A.	PROMOTERS				
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20.00%	30,00,000	[●]
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20.00%	30,00,000	[●]
3.	Mr. Bharatbhai Prahaladbhai Patel	29,99,800	20.00%	29,99,800	[●]
4.	Mr. Vishnubhai Prahaladdas Patel	29,99,800	20.00%	29,99,800	[●]
5.	Mr. Gautam Bharkumar Patel	30,00,000	20.00%	30,00,000	[●]
6.	B P Patel Family Trust	100	Negligible	100	[●]
7.	V P Patel Family Trust	100	Negligible	100	[●]
	TOTAL (A)	1,49,99,800	100.00%	1,49,99,800	[●]
B.	PROMOTER GROUP				
1.	Mr. Preet Vishnubhai Patel	100	Negligible	100	[●]
2.	Mrs. Ranjanben Bharatbhai Patel	100	Negligible	100	[●]
	TOTAL (B)	200	Negligible	200	[●]
C.	PUBLIC	-	-	-	[●]
	TOTAL (C)	-	-	-	[●]
D.	PUBLIC IN IPO	-	-	55,00,000	[●]
	TOTAL (D)	-	-	55,00,000	[●]
	GRAND TOTAL (A+B+C+D)	1,50,00,000	100.00	2,05,00,000	[●]

For further details, refer chapter titled “Capital Structure” beginning on page no. **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

F. SUMMARY OF RESTATED FINANCIAL STATEMENT

Restated Financials

(Rs. in Lakhs)

Particulars	For the period ended September 30, 2024	For the period ended Aug 04, 2024	For the year ended March 31,		
			2024	2023	2022
Share Capital	1500.00	-	-	-	-
Partner's Capital	0.00	2,527.03	2,227.76	3,204.90	3,183.00
Net Worth	1,538.79	2,527.03	2,227.76	3,204.90	3,183.00
Total Revenue	1,814.73	7,557.61	35,782.31	30,217.83	18,298.28
Profit/(Loss) after Tax	38.79	103.49	359.04	-57.35	-69.62
Earnings Per Share	0.26	0.69	2.39	-0.38	-0.46
Net Asset Value Per Share (₹)	10.26	16.85	14.85	21.37	21.22
Net Asset Value per Equity share as Restated after considering Bonus Issue of Shares	10.26	16.85	14.85	21.37	21.22
Total Borrowings	5,009.14	3,256.11	4,001.57	3,183.49	4,197.67

G. There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

H. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	Nil	2.47
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	-
Against Promoters	Nil	4	Nil	Nil	1	27.00
Group Companies						
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	9	Nil	Nil	Nil	149.51

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 204 of this Draft Red Herring Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 25 of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.

J. SUMMARY OF CONTINGENT LIABILITIES

(Rs. In Lakh)

Particulars	For the period ended September 30, 2024	For the period ended Aug 04, 2024	For the year ended March 31,		
			2024	2023	2022
Contingent liabilities in respect of Direct Tax	2.59	2.59	2.59	2.57	2.57
Total	2.59	2.59	2.59	2.57	2.57

For further information, please refer “Contingent Liability and Commitments” under chapter titled “Financial Information of our Company” on page no. 188 of this Draft Red Herring Prospectus.

K. SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship:

Sr. No	Name of the Related Party	Relationship
1	Mr. Bharatbhai Prahaladbhai Patel	Promoter / Director / Partner (In LLP)
2	Mr. Jasmin Vishnubhai Patel	Promoter / Director / Partner (In LLP)
3	Mr. Nirav Bharatbhai Patel	Promoter / Director / Partner (In LLP)

4	Mr. Vishnubhai Prahaladdas Patel	Promoter / Director / Partner (In LLP)
5	Mr. Gautam Bharatbhai Patel	Promoter / Partner (In LLP)
6	Mrs. Kapilaben Vishnubhai Patel	Relative of Promoter
7	Mrs. Ranjanben Bharatbhai Patel	Relative of Promoter
8	Mrs. Kantaben Prahaladbhai Patel	Relative of Promoter
9	Mr. Preet Vishnubhai Patel	Relative of Promoter
10	Mr. Prahaladbhai Patel	Relative of Promoter
11	Vivekanand Industries	Entity over which promoter / director exercise significant influence
12	Avadh Cotton Industries	Entity over which promoter / director exercise significant influence
13	Ambica Cotseeds Pte Ltd	Entity over which promoter / director exercise significant influence
14	Ambica Cotseeds Limited	Entity over which promoter / director exercise significant influence

Transactions carried out with related parties referred to in above, in ordinary course of business:

(Rs. in Lakhs)

Transactions during the year:	For the period ended September 30, 2024	For the period ended Aug 04, 2024	For the year ended		
			March 31, 2024	March 31, 2023	March 31, 2022
Purchase of Goods					
Ambica Cotseeds Limited	-0.58	13.22	3,934.82	20,441.20	10,131.90
Avadh Cotton Industries	-	-	139.90	2,089.78	-
Vivekanand Industries	340.33	759.28	1,886.44	652.27	2,383.94
Kapilaben Vishnubhai Patel	-	-	3.65	-	-
Kantaben Prahladbhai Patel	-	-	3.62	-	-
Patel Bharatbhai Prahladbhai	-	-	3.36	-	-
Ambica Cotseeds Pte Ltd	468.61	-	-	-	-
Receipt of Loan/Capital					
Patel Nirav Bharatbhai	85.50	-	-	-	-
Patel Vishnubhai Prahladbhai	4.30	-	-	-	-
Preet Vishnubhai Patel	-	-	-	-	88.25
Patel Jasmin Vishnubhai	-	9.01	-	-	-
Patel Gautambhai Bharatbhai	20.07	-	-	-	-
Patel Bharatbhai Prahalbhai	-	-	-	-	-
Repayment of Loan/Capital					
Patel Nirav Bharatbhai	-	-	-	-	-
Patel Vishnubhai Prahladbhai	-	-	-	-	-
Patel Bharatbhai Prahalbhai	3.25	-	-	-	-
Patel Gautambhai Bharatbhai	0.92	-	-	-	-
Patel Jasmin Vishnubhai	0.54	-	-	-	-
Preet Vishnubhai Patel	-	-	-	6.25	80.00
Addition of Capital					
Patel Nirav Bharatbhai	-	158.64	171.25	385.58	495.66
Patel Vishnubhai Prahladbhai	-	18.08	60.96	153.85	213.03
Patel Jasmin Vishnubhai	-	188.74	53.00	57.30	364.95
Patel Gautambhai Bharatbhai	-	100.15	3.75	142.71	339.88
Patel Bharatbhai Prahalbhai	-	25.38	218.25	206.65	178.25
Withdrawal of Capital					
Patel Nirav Bharatbhai	-	194.14	781.12	415.23	198.43
Patel Vishnubhai Prahladbhai	-	49.49	142.94	158.14	408.12
Patel Bharatbhai Prahalbhai	-	31.24	293.14	176.06	452.26
Patel Gautambhai Bharatbhai	-	30.64	470.50	130.83	192.66
Patel Jasmin Vishnubhai	-	43.99	365.95	129.11	327.88
Interest on Capital					
Patel Nirav Bharatbhai	-	10.68	47.74	36.07	51.34

Patel Vishnubhai Prahladbhai	-	9.33	24.40	12.23	49.97
Patel Bharatbhai Prahalbhai	-	9.39	18.56	9.66	49.67
Patel Gautambhai Bharatbhai	-	11.57	49.07	29.54	47.39
Patel Jasmin Vishnubhai	-	13.31	39.82	27.24	44.93
Interest on Loan/Capital					
Patel Nirav Bharatbhai	-	-	-	-	-
Patel Vishnubhai Prahladbhai	-	-	-	-	-
Patel Bharatbhai Prahalbhai	-	-	-	-	-
Patel Gautambhai Bharatbhai	0.34	-	-	-	-
Patel Jasmin Vishnubhai	0.15	-	-	-	-
Sale of Goods					
Ambica Cotseeds Limited	524.57	3,564.34	14,012.79	3,281.58	10,834.30
Vivekanand Industries	55.12	1,745.21	9,870.98	14,878.46	-
Payment of Rent for use of Property					
Avadh Cotton Industries	-	-	4.80	4.80	5.07
Kapilaben Vishnubhai Patel	-	-	0.35	-	-
Ranjanben Bharatbhai Patel	-	-	0.35	-	-
Kantaben Prahladbhai Patel	-	-	1.20	-	-
Assets Purchase					
Avadh Cotton Industries	-	-	-	-	4.30

Outstanding Balance as at the end of the year:

(Rs. in Lakhs)

Outstanding Balance Receivables/Payable	For the period ended September 30, 2024	For the period ended Aug 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Advance from Customer					
Ambica Cotseeds Limited	237.07	33.89	-	-	-
Creditor					
Vivekanand Industries	204.94	300.00	-	-	-
Ambica Cotseeds Limited	-0.01	-	-	192.09	-
Ambica Cotseeds Pte Ltd	341.98	-	-	-	-
Loan Payable					
Patel Vishnubhai Prahladbhai	146.47	-	-	-	-
Patel Nirav Bharatbhai	234.93	-	-	-	-
Patel Jasmin Vishnubhai	330.93	9.01	-	-	-
Patel Gautambhai Bharatbhai	264.81	-	-	-	-
Patel Bharatbhai Prahalbhai	164.53	-	-	-	-
Patel Preet Vishnubhai	2.00	2.00	2.00	2.00	8.25
Creditor for Rent					
Avadh Cotton Industries	-	-	-	-	-
Advance From Customer					
Vivekanand Industries	273.47	27.66	-	-	-

For details of Restated related party transaction, please refer “Annexure IX – Related Party Transaction” under chapter titled “Restated Financial Statements” beginning on page no. 188 of this Draft Red Herring Prospectus

L. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Red Herring Prospectus.

M. The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Nirav Bharatbhai Patel	30,00,000	10

Jasmin Vishnubhai Patel	30,00,000	10
Bharatbhai Prahaladbhai Patel	29,99,800	10
Vishnubhai Prahaladdas Patel	29,99,800	10
Gautam Bharatkumar Patel	30,00,000	10
B P Patel Family Trust	100	-
V P Patel Family Trust	100	-

*The weighted average cost of acquisition of Equity Shares for last one year by our Promoters has been calculated by taking into account the amount paid by them to acquire Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

As certified by M/S. Mistry & Shah LLP, Chartered Accountants by way of their certificate dated 21/01/2025.

N. The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Nirav Bharatbhai Patel	30,00,000	10
Jasmin Vishnubhai Patel	30,00,000	10
Bharatbhai Prahaladbhai Patel	29,99,800	10
Vishnubhai Prahaladdas Patel	29,99,800	10
Gautam Bharatkumar Patel	30,00,000	10
B P Patel Family Trust	100	-
V P Patel Family Trust	100	-

*The weighted average cost of acquisition of Equity Shares for last one year by our Promoters has been calculated by taking into account the amount paid by them to acquire Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

As certified by M/S. Mistry & Shah LLP, Chartered Accountants by way of their certificate dated 21/01/2025

- O.** Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.
- P.** Except as disclosed in this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.
- Q.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.
- R.** As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

SECTION III: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 130 and 190, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. 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 the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 25 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 190 respectively of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of our Company" prepared in accordance with the Indian Accounting Standards.

Materiality

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

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

INTERNAL RISK FACTORS

- 1. Any fluctuations in cotton prices and availability may pose a significant risk to the Company's cost of production and profitability.***

Our business is heavily dependent on the availability and pricing of raw cotton, which is subject to seasonal variations, global demand-supply dynamics, and government policies on agricultural production. The price of cotton is influenced by multiple factors, including weather conditions, international trade policies, fluctuations in foreign exchange rates, and subsidies or tariffs imposed by cotton-producing countries. Any sharp increase in raw cotton prices could significantly raise our production costs, while price volatility may impact our ability to maintain stable margins.

There is no assurance that we will always be able to procure raw cotton at favorable prices or in required quantities. In periods of limited availability, we may have to source cotton at higher costs, which could reduce our competitiveness and profitability. Additionally, a decline in global or domestic cotton demand may lead to inventory accumulation, further impacting cash flow and operational efficiency.

While we have established long-term relationships with suppliers and maintain an efficient procurement strategy, these efforts do not fully mitigate the risks associated with price fluctuations and supply constraints. Despite our cost management initiatives, adverse movements in cotton prices may still impact our financial performance. Any sustained increase in raw material costs without a corresponding increase in product prices could negatively affect our profit margins and overall business growth.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

2. Dependence on seasonal cotton production may disrupt raw material procurement, impacting manufacturing continuity, production schedules, and profitability.

Cotton production is seasonal, with peak availability occurring during harvest periods i.e., November to March. This seasonality can result in fluctuations in raw material availability and pricing, impacting our ability to maintain consistent production levels. Factors such as unexpected weather patterns, pest infestations, and variations in crop yield can disrupt the supply chain, forcing us to adjust procurement strategies or purchase raw cotton at higher prices.

If cotton availability declines during off-seasons, we may experience supply shortages that could delay production schedules and order fulfillment and impact our working capital cycle. Additionally, reliance on seasonal procurement increases our inventory holding costs, as we may need to stockpile raw cotton to sustain production during lean periods. In such cases, market price fluctuations may impact the valuation of our inventory, potentially affecting profitability.

Although, we maintain strategic relationships with multiple suppliers and engage in advance procurement planning. We also explore alternatives such as diversifying sourcing regions to reduce dependence on any single geographic location. However, there is no assurance that these measures will entirely offset supply constraints or price volatility, and prolonged disruptions could impact our operational and financial performance.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

3. There is intense competition in the cotton processing and yarn manufacturing industry, which may affect market position and profitability.

The cotton processing and yarn manufacturing industry is highly competitive, with numerous domestic and international players competing for market share. Competitors include large-scale vertically integrated textile companies, regional manufacturers, and international firms with established supply chains and financial strength. Our ability to maintain or expand our market position depends on factors such as pricing strategies, product quality, operational efficiency, and customer relationships.

If competitors offer lower-priced or higher-quality products, we may face pricing pressure that could impact our revenue and profit margins. Additionally, changes in customer preferences, technological advancements, and the entry of new players could intensify market competition. Inability to adapt to industry trends or differentiate our offerings could result in the loss of key customers and a decline in market share.

We strive to enhance our competitive edge through continuous improvements in manufacturing processes, product innovation, and customer engagement. However, despite these efforts, there is no assurance that we will sustain our competitive position or withstand aggressive market competition, which could adversely affect our financial performance.

For further details, please refer to chapter titled “Business Overview” view on page 130 of this Draft Red Herring Prospectus.

4. There is volatility in foreign exchange rates, which may affect export revenues and impact overall profitability.

A portion of our revenue is derived from exports, making us susceptible to fluctuations in foreign exchange rates. The appreciation or depreciation of the Indian Rupee against foreign currencies can impact our export earnings and cost structure. If the Rupee appreciates, our products may become less competitive in global markets, potentially leading to lower demand and revenue losses. Conversely, depreciation of the Rupee could increase the cost of imported raw materials or machinery, affecting production costs.

The details of revenue derived from exports is as follows:

(₹ in Lakhs)					
Particulars	30.09.2024	04.08.2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
Bangladesh	-	-	3,130.49	974.83	-
Portugal	-	-	60.65	-	-
China	-	132.45	-	-	-
Total	-	132.45	3,191.15	974.83	-
% of Total Sales	-	1.75%	8.93%	3.23%	-

Sudden fluctuations in currency values could impact our profitability and financial stability, particularly if sustained over extended periods. Exposures may result in foreign exchange losses, further affecting overall business performance.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

5. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.

Our Company has recently been converted from a Limited Liability Partnership (LLP) to a Company. We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities still there are several licenses in respect of which we have filed application for change of name / issue of fresh license in the name of the newly converted Company. While we have made all efforts to comply with all the applicable provisions of relevant laws, we are not sure that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Approvals” on page 212 of this Draft Red Herring Prospectus.

6. Our revenues are significantly dependent upon sales of our main products that are cotton bales and yarn

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

7. We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our company, Directors, Promoters and Group Companies, as at the date of this Draft Red Herring Prospectus.

LITIGATIONS AGAINST OUR COMPANY

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	1	2.47
Other Litigation	--	--

LITIGATIONS AGAINST OUR DIRECTORS AND / OR PROMOTERS

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	4	18.65
Other Litigation	1	8.35

LITIGATIONS AGAINST OUR GROUP COMPANIES

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	9	149.51
Other Litigation	--	--

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. 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.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “Outstanding Litigations and Material Developments” beginning on page 204 of this Draft Red Herring Prospectus.

8. Our Company has incurred losses in the past financial year(s), which may indicate certain operational or financial challenges.

Our Company incurred losses during the past financial year(s) when it operated as a Limited Liability Partnership (LLP), prior to its conversion into a Private Limited Company. During this period, the financial statements were prepared following LLP accounting practices, which did not fully align with corporate accounting standards. Specifically, key accounting adjustments such as Deferred Tax Provision, Income Tax Provision, and Depreciation Calculation Methods were not incorporated as per the Companies Act requirements. These losses have also impacted our financial position, including accumulated losses and the overall financial stability of the Company. Although from FY 2024 onwards, our company achieved consistent operating profits, driven by strategic improvements and optimized operations, marking a significant shift toward long-term growth and stability.

The detail of financial position is as follows:

Particulars	For the period ended September 30, 2024	For the period ended Aug 04, 2024	(Rs. in Lakhs)		
			For the year ended March 31,		
			2024	2023	2022
Share Capital	1500.00	-	-	-	-
Partner's Capital	0.00	2,527.03	2,227.76	3,204.90	3,183.00
Net Worth	1,538.79	2,527.03	2,227.76	3,204.90	3,183.00
Total Revenue	1,814.73	7,557.61	35,782.31	30,217.83	18,298.28
Profit/(Loss) after Tax	38.79	103.49	359.04	(57.35)	(69.62)
Earnings Per Share	0.26	0.69	2.39	(0.38)	(0.46)

The incurrance of losses could affect the Company’s ability to attract investment, meet financial obligations, or achieve future growth. There can be no assurance that we will be able to generate sufficient revenues or manage our costs effectively to return to profitability. Additionally, if the losses continue or increase, it could have a significant adverse impact on our business operations, cash flow, and financial condition.

For further details, please refer to chapter titled “Financial Information” of our company on page 188 of this Draft Red Herring Prospectus.

9. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. We have been sanctioned working capital including working capital term loans of Rs. 2800.00 lakhs as on the date of this Draft Red Herring Prospectus from the existing bankers. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our Debtors, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

10. We have engaged in related party transactions and may continue to do so in the future. A significant portion of our sales and purchase transactions are with related parties.

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoters, Directors, Promoter Group members, Group Companies and Promoter Group Entities. These transactions, inter-alia includes rent, sale, loan & advances and purchases etc. Our Company entered into such transactions due to easy proximity and quick execution.

A significant portion of our sales and purchase transactions are with our related parties, namely Ambica Cotseeds Limited, Vivekanand Industries and Avadh Cotton Industries. Ambica Cotseeds Limited, a key entity within the Vivekanand Group, is engaged in the export of cotton yarn and cotton bales. It has established a strong market presence and utilizes well-developed banking facilities, making it the primary entity for most of the group's export transactions. Our company procures imported cotton bales from Ambica Cotseeds Limited for its cotton yarn production. Due to the limited presence of post-spinning industries in India, a large portion of its finished goods is exported globally.

Vivekanand Industries operates in ginning and cotton seed oil production, utilizing cotton seed from our company. Additionally, it supplies cotton bales to Vivekanand Cotspin Limited as raw material for cotton yarn production. The entity also sources additional cotton bales from our company to fulfill large orders, with all related party transactions conducted at arm's length prices.

Furthermore, Avadh Cotton Industries, engaged in cotton ginning and manufacturing, supplied cotton bales to Vivekanand Cotspin Limited during FY 2022-23 and 2023-24 for its spinning unit. In the FY 2024-25 stub period, Vivekanand Cotspin Limited procured imported cotton bales from Ambica Cotseeds Pte Ltd, a Singapore-based entity engaged in cotton yarn and cotton bales trading, for use as raw material in its cotton yarn manufacturing process. The detail of transactions with related party is as follows:

(Rs.in Lakhs)

Particulars of Transactions during the year:	For the period ended September 30, 2024 (Rs. In Lakhs)	% *	For the period ended Aug 04, 2024 (Rs. In Lakhs)	% *	For the year ended					
					March 31, 2024 (Rs. In Lakhs)	% *	March 31, 2023 (Rs. In Lakhs)	% *	March 31, 2022 (Rs. In Lakhs)	% *
Purchase of Goods										
- Ambica Cotseeds Limited	-0.58	-0.03	13.22	0.17	3,934.82	11.01	20,441.20	67.73	10,131.90	55.41
- Avadh Cotton Industries	-	-	-	-	139.90	0.39	2,089.78	6.92	-	-
- Vivekanand Industries	340.33	18.77	759.28	10.05	1,886.44	5.28	652.27	2.16	2,383.94	13.04
- Kapilaben Vishnubhai Patel	-	-	-	-	3.65	0.01	-	-	-	-
- Kantaben Prahladbhai Patel	-	-	-	-	3.62	0.01	-	-	-	-
- Patel Bharatbhai Prahladbhai	-	-	-	-	3.36	0.01	-	-	-	-
- Ambica Cotseeds Pte Ltd	468.61	25.84	-	-	-	-	-	-	-	-
Interest on Capital										
-Patel Nirav Bharatbhai	-	-	10.68	0.14	47.74	0.13	36.07	0.12	51.34	0.28

-Patel Vishnubhai Prahadbhai	-	-	9.33	0.12	24.40	0.07	12.23	0.04	49.97	0.27
-Patel Bharatbhai Prahalbhai	-	-	9.39	0.12	18.56	0.05	9.66	0.03	49.67	0.27
-Patel Gautambhai Bharatbhai	-	-	11.57	0.15	49.07	0.14	29.54	0.10	47.39	0.26
-Patel Jasmin Vishnubhai	-	-	13.31	0.18	39.82	0.11	27.24	0.09	44.93	0.25
Interest on Loan/Capital										
-Patel Nirav Bharatbhai	-	-	-	-	-	-	-	-	-	-
-Patel Vishnubhai Prahadbhai	-	-	-	-	-	-	-	-	-	-
-Patel Bharatbhai Prahalbhai	-	-	-	-	-	-	-	-	-	-
-Patel Gautambhai Bharatbhai	0.34	0.02	-	-	-	-	-	-	-	-
-Patel Jasmin Vishnubhai	0.15	0.01	-	-	-	-	-	-	-	-
Sale of Goods										
- Ambica Cotseeds Limited	524.57	28.93	3,564.34	47.19	14,012.79	39.20	3,281.58	10.87	10,834.30	59.25
- Vivekanand Industries	55.12	3.04	1,745.21	23.10	9,870.98	27.61	14,878.46	49.30	-	-
Payment of Rent for use of Property										
- Avadh Cotton Industries	-	-	-	-	4.80	0.01	4.80	0.02	5.07	0.03
- Kapilaben Vishnubhai Patel	-	-	-	-	0.35	0.00	-	-	-	-
- Ranjanben Bharatbhai Patel	-	-	-	-	0.35	0.00	-	-	-	-
- Kantaben Prahadbhai Patel	-	-	-	-	1.20	0.00	-	-	-	-
Assets Purchase										
- Avadh Cotton Industries	-	-	-	-	-	-	-	-	4.30	0.02

* % of total revenue from operations of that period/year

While all our related party transactions have been conducted on an arm's length basis and in compliance with applicable provision, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

For further details, please refer to chapter titled "Financial Information of our company" on page 188 of this Draft Red Herring Prospectus.

11. We are Exposed to Risks from Labour Shortages, Strikes, and Wage Demands that Could Affect Our Cash Flows and Operational Performance

The cotton processing and yarn manufacturing industry requires skilled labor for efficient production, quality control, and machine operation. Availability of trained workers is crucial for maintaining productivity and ensuring consistency in manufacturing output. Labor shortages, high attrition rates, or difficulties in hiring and retaining skilled employees could result in production inefficiencies, increased training costs, and delays in order fulfillment.

Our business is subject to various laws and regulations concerning employee welfare, including minimum wage requirements, working conditions, employee insurance, and other benefits. Changes in these regulations, such as increases in wage mandates by

state governments or new requirements for working hours and facilities, could impose additional costs and affect our financial performance.

Additionally, disruptions due to labour disputes, strikes, or work stoppages could significantly impact our manufacturing processes. Such events may lead to interruptions in production, affecting both our cash flows and overall business performance.

12. *If we fail to acquire new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability.*

Our revenue from cotton processing operations has grown from ₹18,286.34 lakhs in FY 2022 to ₹30,178.47 in FY 2023 and ₹35,745.91 in FY 2024. However, we cannot assure you that these historical growth rates will be sustained or replicated in the future. If we are unable to effectively expand our consumer base, or if we fail to do so at a cost-efficient rate, we may face challenges in driving revenue growth and preserving profitability.

The detail of our revenue and profitability model is as follows:

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations ⁽¹⁾	1,813.17	7,553.83	35,745.91	30,178.47	18,286.34
EBITDA ⁽²⁾	199.63	529.63	1,481.64	950.21	869.63
EBITDA Margin (%) ⁽³⁾	11.01%	7.01%	4.14%	3.15%	4.76%
PAT	38.79	103.49	359.04	-57.35	-69.62
PAT Margin (%) ⁽⁴⁾	2.14%	1.37%	1.00%	-0.19%	-0.38%

In the highly competitive cotton processing sector, maintaining and improving our marketing strategies may necessitate substantial financial investments. These expenditures are essential to stay competitive, attract new customers, and retain existing ones. However, there is a risk that the costs associated with such marketing efforts may exceed the revenue generated or the number of customers acquired. If the return on investment from these strategies does not meet expectations, it could place pressure on our profitability. Consequently, the challenge lies in balancing the costs of marketing initiatives with the actual benefits they bring in terms of revenue growth and market share expansion.

For further details, please refer to chapter titled “Financial Information of our company” on page 188 of this Draft Red Herring Prospectus.

13. *Our success is dependent on our Promoter, management team and skilled & unskilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoter or Managing Director and Whole Time Director may have an adverse effect on our business prospects.*

Our Promoters, Managing Director, Whole Time Director and management team have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our management team. Our Managing Director Mr. Nirav Bharatbhai Patel and whole-time Director Mr. Jasminbhai Bharatbhai Patel are having experience of 13 years and 05 years respectively in this Industry which turn out beneficial for the Company. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute contracts and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

For further details of our Promoters and Management, please refer chapter titled “Our Promoters and Promoter Group” and “Our Management” beginning on Page 178 and 164 of this Draft Red Herring Prospectus.

14. *Our Registered and other offices and all our existing manufacturing units from where we operate, as well as the proposed manufacturing unit, have been acquired on lease basis from the members of our Promoter Group, including our Promoters. There can be no assurance that the lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.*

Our registered office is located at S/no 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujrat, India and the same is not owned by us. We have obtained this property from our promoter group entity Avadh Cotton Industries through a Lease deed dated

November 27, 2024 for a period of 10 years. Further, other offices are also taken on lease from promoters and promoter group members. Any termination of the lease in connection with the above properties or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

If we are required to vacate the current premises, we would be required to make alternative arrangements for our business activities and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

For details regarding properties taken on lease refer the Section titled —Properties – “Business Overview” view beginning on page no. 130 of this Draft Red Herring Prospectus.

15. We are heavily dependent on a few key customers for a significant portion of our revenue. The loss of any major customer could have a material adverse impact on our financial performance.

Our top ten customers have contributed 89.07%, 91.12%, 87.84%, 87.14% and 85.46% of our revenues for the period ended September 30, 2024, August 04, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

(₹ in Lakhs)

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 customer	524.57	28.93%	3,564.34	47.19%	13743.42	38.45%	14878.46	49.30%	10834.30	59.25%
Top 3 customer	1121.82	61.87%	5,756.40	76.21%	26054.82	72.89%	20019.00	66.34%	13015.94	71.18%
Top 5 customers	1393.45	76.85%	6,272.92	83.04%	27914.40	78.09%	22907.66	75.91%	14051.94	76.84%
Top 10 customers	1614.98	89.07%	6,883.36	91.12%	31400.01	87.84%	26297.63	87.14%	15627.92	85.46%

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the amounts due to us on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to have such long-term relationship with them. 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.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

16. The unsecured loan availed by our Company from Promoters, Directors and promoter group members may be recalled at any given point of time.

Our Company has been availing unsecured loans from Promoters, Directors and promoter group members from time to time. The total outstanding payable to them as on September 30, 2024 amounts to Rs. 1143.67 Lakhs based on restated financial statements. Although there are no terms and condition prescribed for repayment of unsecured loan which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer “Financial Indebtedness” on page 201 of this Red Herring Prospectus.

17. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an 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 strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to develop relationships with customer. For further

details, see the section titled “Business Overview” on page 130 of this Draft Red Herring Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify and enter new markets for expansion.
- Our ability to maintain the consistent quality of our cotton products.
- Changes in the regulatory environment affecting the cotton processing and manufacturing industry in India.

There can be no assurance that we will be able to execute our strategy on time or within our projected budget, or that our expansion plans will necessarily lead to increased profitability. Any of these factors could affect our results of operations. We cannot guarantee that we will not experience time delays or cost overruns in implementing our strategies in the future. Additionally, our growth strategy may place significant demands on our management, financial, and other resources, requiring continuous improvement of our operational and internal controls. Our inability to effectively manage our business and growth strategy could have a negative impact on our financial position and profitability.

18. We may not be able to prevent unauthorised use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.

We have applied for trademark registrations of our brands under class 23 under the Trade Marks Act, 1999 (“Trade Marks Act”) which is not registered as on date, any unauthorized use of our trademarks, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

Further, we cannot assure you that our application for registration of our trademark will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details, please refer to chapter titled “Government and Other Approvals” beginning on page 212 of the Draft Red Herring Prospectus.

19. The debt facilities granted to our Company are secured against collateral properties leased by the Company, as well as personal guarantees from our Directors and Promoters and corporate guarantee from promoter group entity. If any personal guarantees provided by our Directors and Promoters are invoked, it could negatively impact our business, financial condition, operations, cash flows, and prospects.

Our Promoters, Directors and promoter group entity have provided guarantees to secure our existing borrowings from our lenders, which are primarily working capital and non-fund based in nature. Additionally, the properties leased by the Company have been mortgaged as collateral to secure our debt facilities. The guarantees provided still continues to be in force as on the date of filing this Draft Red Herring Prospectus. In case of a default under our loan agreements, the guarantees may be invoked, which could negatively impact the reputation and net worth of our Directors and Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Directors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cashflows.

For further details regarding loans availed by our Company, please refer to the chapter titled “Financial Indebtedness” beginning on page 201 of this Draft Red Herring Prospectus.

20. Any increase in or occurrence of our contingent liabilities may adversely affect our financial condition.

Our Company is subject to certain contingent liabilities arising from tax disputes that are not yet settled. These contingent liabilities are disclosed in our financial statements and are based on estimates and judgments regarding the likelihood of outcomes and potential financial impacts.

The potential for these liabilities to materialize could require us to make significant provisions or incur other costs, which may strain our financial resources. Additionally, such liabilities could lead to reputational damage, regulatory scrutiny, or operational disruptions, further affecting our business.

(Rs. In Lakh)

Particulars	For the period ended September 30, 2024	For the period ended Aug 04, 2024	For the year ended March 31,		
			2024	2023	2022
Contingent liabilities in respect of Direct Tax	2.59	2.59	2.59	2.57	2.57
Total	2.59	2.59	2.59	2.57	2.57

Any increase in our contingent liabilities or occurrence of these liabilities may materially and adversely affect our financial position, results of operations and cash flows. For further details of our contingent liabilities, please refer to section titled “Financial Information of our Company” beginning on Page 188 of this Draft Red Herring Prospectus.

21. The Company is yet to place orders for 100% of the plant & machinery for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement may delay our implementation schedule and may also lead to increase in price of these plant & machinery, further affecting our revenue and profitability.

Although we have identified the type of plant & machinery required to be bought however, we are yet to place orders for 100% of the equipments worth Rs 101.02 lakhs as detailed in the “Objects of the Issue” beginning on page 86 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of plant & machinery among others which may have an adverse effect on our business and results of operations.

Further, we cannot assure that we would be able to procure these Equipments and property, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition.

For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 86 of this Draft Red Herring Prospectus.

22. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability

Our top ten suppliers contributed approximately 98.22%, 29.92%, 35.36%, 95.97% and 94.83% of our total purchases and Direct Cost for the period ended September 30, 2024, August 04, 2024, March 31 2024, March 31,2023 and March 31, 2022 respectively based on Restated Financial Statements. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost-effective suppliers in normal course of business.

Rs. In Lakhs

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Supplier	509.09	29.07%	759.28	12.60%	3663.11	11.11%	20431.20	76.02%	10131.90	62.36%
Top 3 Suppliers	1318.02	75.25%	1,444.34	23.97%	7801.28	23.66%	23307.95	86.73%	13305.11	81.89%
Top 5 Suppliers	1561.89	89.17%	1,615.06	26.81%	9424.06	28.58%	24652.99	91.73%	14333.69	88.22%
Top 10 Suppliers	1720.32	98.22%	1,802.82	29.92%	11657.62	35.36%	25791.92	95.97%	15407.51	94.83%

Since our business is concentrated among relatively significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long-term relationships with our other suppliers too, there can be no assurance that we will continue to have such long-term relationship with them. We cannot assure that we shall do the same quantum of

business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

23. *The price, which we are able to obtain for the yarn and cotton bales that we produce depend largely on prevailing market prices.*

Any decrease in yarn prices may adversely affect our profitability. The wholesale price of cotton has a significant impact on our profits. Cotton is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. As a result, any prolonged decrease in cotton prices could have a material adverse effect on our Company and our results of operations. Further, we have not yet entered into any contract for hedging the risk of any adverse price movement in the price of our raw material or finished goods.

24. *Our Company has Export Obligation which are outstanding under the Advance Authorization Scheme.*

Our Company has outstanding Export Obligation under the Advance Authorization Scheme availed for the import of duty-free raw materials and other inputs required for the manufacturing of cotton bales and yarn. Under this scheme, our Company has benefitted from the exemption of Customs Duty on the import of inputs used in the production of export goods, subject to a commitment to fulfil specific export obligations.

As per the terms of the Advance Authorization Scheme, our Company is required to export goods manufactured by us within a specified period and in the prescribed quantity/value as per the export obligation linked to the duty saved on imports. Failure to meet the export obligation could result in the duty being recovered with interest, along with potential penalties.

(₹ in Lakhs)

Sr. No.	Obligation under	FOB Value
1.	Advance Authorisation Number 0811012517 Authorisation Date 30/08/2024 Export Validity 28/02/2026	836.03
Total		836.03

Any failure to comply with the export obligation would have a negative impact on the financial position of our Company, as it may require us to pay back the exempted duty along with additional costs, penalties, and loss of business opportunities.

For further details, please refer to chapter titled Business Overview on page 130 of this Draft Red Herring Prospectus.

25. *Increased competition from synthetic and alternative fibers presents a potential risk to the demand for cotton yarn, which could negatively affect our sales and profitability.*

The growing popularity of synthetic fibers, such as polyester, viscose, and other man-made alternatives, poses a competitive challenge to the cotton yarn industry. These synthetic fibers offer cost advantages due to lower production costs and can be produced in larger quantities with fewer resource constraints. Additionally, they are increasingly used in a variety of textile applications, which could further diminish the demand for cotton-based products.

If textile manufacturers increasingly opt for synthetic fibers over cotton due to cost efficiencies, performance benefits, or sustainability concerns, the demand for our cotton yarn could decline significantly. This reduction in demand could result in lower sales volume, reduced market share, and decreased profitability.

While we are committed to maintaining competitiveness through continuous investment in quality improvements and product innovation, there is no assurance that cotton will remain the preferred fiber for textile manufacturers in the face of these growing competitive pressures. The ongoing shift towards synthetic and alternative fibers presents a substantial risk to our business model, and we must continue to adapt to ensure our continued relevance in the market.

26. *The risks associated with cotton storage and inventory management could potentially impact the integrity of materials and disrupt our operations.*

Cotton is highly susceptible to moisture absorption, pest infestations, and fiber deterioration if not stored under optimal conditions. If cotton is stored in humid environments for extended periods, microbial growth, mildew formation, and fiber degradation may occur, reducing the cotton's usability and overall market value. Inadequate warehousing infrastructure, improper stock rotation, or logistics delays may further exacerbate these issues, leading to a decline in the quality of stored cotton and, consequently, financial losses.

Effective inventory management is critical in ensuring a smooth production process. Mismanagement of cotton stock, whether through overstocking or understocking, can create operational challenges. Overstocking may increase carrying costs, while understocking could disrupt production schedules, leading to delays and inefficiencies. These inventory issues could ultimately affect our ability to meet customer demand and maintain profitability.

27. Our company will be required to comply with the provisions of the Companies Act post conversion which were not applicable on us prior to conversion

Prior to conversion, the provisions of the Companies Act were not applicable on us. However upon conversion, our Company will have to comply with the provisions of the Companies Act such as appointment of Key managerial personal, Independent Director, constitution of various management committees, preparation of financial statements as per the Schedule III, prior approval for entering into related party transactions, taking unsecured loan and giving unsecured loan etc. Also, our company will be required to file certain e-forms with Registrar of Companies in case of any delays in filing of the e-forms our company may be subjected to provide for additional fees levied on the company which could have an impact on the financials of our Company. Further, the company has in the past not made provisions for the benefits of the employees like Gratuity although the same have been made in the restated financial statement of the Company. Though our company is taking all the possible endeavour to comply with the provisions of the Companies Act but in case of our inability to do so or any delay, we may be subject to penal action from the related authorities which may have an adverse affect on our financial position and reputation.

28. Alterations in government regulations and trade policies could have a considerable impact on our operations and profitability.

The cotton industry is subject to a range of regulations, and any modifications in domestic or international trade policies—such as shifts in tariffs, import-export duties, labor laws, or environmental standards—may disrupt our supply chain, increase production costs, and limit market access. Stricter regulations could raise operational expenses, while more favorable policies might offer potential benefits, such as subsidies or tax breaks.

Additionally, changes in trade agreements or geopolitical situations could influence global cotton trade, affecting both supply and demand. These changes in regulations and trade policies could result in increased costs, delays, or disruptions in our ability to source raw materials, manufacture products, or reach global markets, which could negatively affect our profitability and long-term business performance.

Although we stay informed and adaptable to regulatory changes, we cannot guarantee that future shifts in policy will not adversely impact our operations.

29. Interruptions in the supply chain and logistics could result in delays in production and order delivery.

Our business relies on an efficient supply chain network for the timely procurement of raw materials and distribution of finished products. We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of products to our customers. Any disruptions in logistics, whether due to transportation delays, port congestion, geopolitical issues, or labor strikes, may impact our ability to meet production deadlines and fulfill customer orders.

Delays in raw material deliveries may halt or slow down manufacturing processes, leading to inefficiencies and increased costs. Similarly, disruptions in outbound logistics could impact product deliveries, affecting customer relationships and revenue generation.

We implement robust supply chain management strategies, including engaging multiple transportation partners and optimizing inventory planning. However, despite these measures, there is no assurance that supply chain disruptions will not occur, and prolonged disturbances could adversely impact our operational performance and customer satisfaction.

30. There are significant risks to our operations if industrial accidents or workplace safety issues occur, as they could disrupt production and impact employee well-being.

Our manufacturing processes involve various mechanical operations, which, by nature, carry certain risks such as industrial accidents, equipment malfunctions, and workplace injuries. These risks can occur due to the complexity of machinery, the intensity of the processes, or human error. Ensuring compliance with workplace safety regulations is crucial for safeguarding our workforce and avoiding potential penalties, legal liabilities, and reputational damage. A major accident or failure to adhere to safety standards could result in temporary factory shutdowns, causing significant operational disruptions. Such disruptions could, in turn, delay production timelines, impact order fulfillment, and increase costs related to worker compensation, equipment repairs, or addressing legal compliance issues.

A severe incident, whether due to unforeseen circumstances or failure in safety procedures, could negatively affect production capabilities, financial performance, and the long-term sustainability of the business. This could lead to a loss of customer trust, higher operational costs, and potential legal consequences. Thus, while we remain committed to minimizing these risks, we must acknowledge that the possibility of accidents cannot be entirely eliminated, and their impact could be far-reaching.

31. Industry Overview section of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Industry Overview section of this Draft Red Herring Prospectus (DRHP) contain information sourced from the Dun & Bradstreet Report, which was commissioned and purchased by the Company. While the Company has made efforts to ensure the accuracy and reliability of the information contained in such third-party reports, there are inherent risks associated with relying on this data.

The information provided by Dun & Bradstreet is based on their analysis, methodologies, and assumptions, which may not fully reflect the current or future financial performance or market conditions of the Company. The accuracy, completeness, and timeliness of the data cannot be guaranteed, and there is a possibility that the report may contain errors or outdated information.

As such, investors should not place undue reliance on the information sourced from the Dun & Bradstreet Report and should consider this as one of many factors in their investment decision-making process. The Company does not assume any responsibility for the accuracy or completeness of the third-party report and recommends that investors conduct their own independent due diligence.

32. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.

We benefit from certain general tax regulations and incentives that accord favorable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter “Statement of Possible Tax Benefits” on page 105 of this Draft Red Herring Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition.

33. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.

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

(Rs. in Lakhs)

Particulars	As on 30th September 2024	As on 4th August 2024	For the year ended March 31,		
			March 31, 2024	March 31, 2023	March 31, 2022
Cash flow from Operating Activities	(453.05)	699.12	2,388.04	1,471.80	(196.56)
Cash flow from Investing Activities	1.56	35.07	(1,521.65)	23.22	(353.91)
Cash flow from Financing Activities	666.43	(732.61)	(958.12)	(1,396.10)	452.90

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 our Company is not able to generate sufficient cash flows, it may affect our business and financial operations.

For further please refer chapter titled “Financial Information of our company” beginning on Page 188 of this Draft Red Herring Prospectus.

34. *Our Promoter and Executive Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.*

Our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" and "Our Promoter and Promoter Group" on pages 164 and 178 respectively of this Draft Red Herring Prospectus.

35. *We are subject to the risk of failure of, or a material weakness in, our internal control systems.*

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

36. *There are certain delays in filing returns with Certain Government Authorities. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of relevant act could impact the financial position of our Company to that extent.*

In the past, our company has delayed in filing GST returns, EPF returns, ESIC returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are not significant but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and our directors, in which event the financials of our Company and our directors may be affected. However, the Company strives to prevent such delays by planning in advance and creating an awareness about the applicability and timeliness of the statutory payment.

37. *Major fraud, lapses of internal control or system failures could adversely impact the company's business.*

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

38. *Our insurance may not be adequate to protect us against all potential losses to which we may be subject.*

We maintain comprehensive insurance coverage, including coverage for the building, plant machinery, and other assets. This insurance extends to risks such as damage caused by severe weather conditions, floods, fires, earthquakes, burglary, and vehicle-related incidents, as well as third-party liabilities. However, not all risks associated with textile manufacturing are fully insurable, and the coverage we have, while common in the industry, may not be adequate to cover every potential loss. Our insurance policies are subject to limitations, deductibles, exclusions, and may not fully compensate for all types of losses.

Further, we cannot guarantee that claims under our policies, such as those related to fire, marine, or accident coverage, will be settled in full or on time by the insurers. Any delay in claims settlement could affect our operations and financial stability. In the event of a loss exceeding our insured limits, or where a risk is not covered, we may face significant financial strain due to the loss of investment, increased working capital requirements, or project disruptions.

For further details on our insurance arrangements, please refer to the chapter titled "Business Overview – Insurance" beginning on page 130 of this Draft Red Herring Prospectus.

39. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.*

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or its textile industry.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

40. The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by the us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "Financial Information of our Company" beginning on Page 188 of this Draft Red Herring Prospectus.

41. We are susceptible to risks relating to unionization of our workers employed by us.

None of our workers are currently represented by a recognized collective bargaining agreement. We cannot assure you that our workers will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our products to our clients, cause clients to limit their use of our products or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

42. We have not identified any alternate source of raising the capital expenditure and working capital mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding for capital expenditure for installation of additional plant and machinery and funding our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, please refer chapter titled "Object for the Issue" beginning on Page 86 of this Draft Red Herring Prospectus.

43. Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.

Our Company intends to primarily use the Net Proceeds towards capital expenditure for installation of additional plant and machinery, working capital requirement and for general corporate purposes as described in "Objects of the Issue" on page 86 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency

since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

44. There may be potential conflicts of interest if our promoter group entities and group companies get involved in any business activities that compete with or are in the same line of activity as our business operations.

At present, our promoter group entities and group companies, namely Avadh Cotton Industries, Vivekanand Industries, Ambica Cotseeds Limited, and Ambica Cotseeds PTE Ltd, are involved in businesses similar to our company. These entities operate in the import and export of cotton yarn and cotton bales, ginning activities, and the operation of cotton seed oil mills. Given the overlap in business activities, there exists a possibility that these entities may, at some point, directly or indirectly compete with our business operations.

While we strive to manage any potential conflicts of interest, there can be no guarantee that the interests of our promoter group entities and group companies will not diverge from ours or that they will not engage in activities that could conflict with our current or future business initiatives. If such conflicts arise, they could have a material and adverse impact on our company's reputation, market positioning, business operations, financial health, and overall results.

Furthermore, any competitive actions taken by these group entities or business conflicts may undermine our profitability, limit our growth prospects, or create challenges in achieving our strategic objectives. Consequently, this could significantly affect our financial condition and the ability to meet our business targets and impacting long-term growth.

For details, please refer the chapter titled "Our Promoters and Promoter Group" and "Information with respect to group companies" beginning on Page No. 178 and 217 of this Draft Red Herring Prospectus.

45. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] of the Issue Proceed. As on date we have not identified the use of such funds.

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details, please refer the chapter titled "Objects of the Issue" beginning on Page No. 86 of this Draft Red Herring Prospectus.

46. We will continue to be controlled by our Promoters and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold 100% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoter and Promoter Group will continue to hold together [●] of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

For further details regarding our shareholding, please refer to chapter titled "Capital Structure" beginning on Page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

47. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, 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 do not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financial factors of the Company and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment

48. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

49. *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 through the Book building process. This price is based on numerous factors. For further information, see "Basis for Issue Price" beginning on page 98 of this Draft Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

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

50. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

51. *We have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.*

In the last 12 months we may have issued fresh Equity Shares to the promoters and promoter group of our Company which are as follows: -

- Subscription to MOA of 1,50,00,000 Equity shares of face value of ₹10/- each on incorporation pursuant to conversion of 'Vivekanand Cotspin LLP', a Limited Liability Partnership into a Private Limited company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013 with the name of 'Vivekanand Cotspin Private Limited'

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Book Running Lead Manager.

For Further details of equity shares issued, please refer to the chapter titled "Capital Structure" beginning on page **Error! Bookmark not defined.** of the Red Herring Prospectus.

52. The requirements of being a listed company may strain our resources and distract management.

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, 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 timely as other listed companies.

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 to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could 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 listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

53. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.

Our growth is dependent on having a balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

54. Any failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may affect our operational flexibility, business, results of operations and prospects.

As on September 30, 2024, our total secured borrowings amounted to Rs. 3494.08 Lakhs from Banks. Our leverage has several important consequences, including the following:

- A portion of our cash flow will be used towards repayment of debt, which will reduce the availability of cash to fund working capital requirements, capital expenditures and other general corporate purposes;
- Fluctuations in interest rates may affect our cost of borrowing, as all or a substantial part of our borrowings is at floating rates of interest; and
- Our financing agreements require us to obtain the consent of, or to intimate, our lenders for certain actions including change in corporate structure.

Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take certain actions in a timely manner or at all may result in declaration of an event of default by any current or future lenders, which may accelerate repayment or increase applicable interest rates or trigger cross-default or cross-acceleration under other financing agreements.

The termination of, or declaration or enforcement of default under, any current or future financing agreement (if not waived or cured) may affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives and, therefore, have an effect on our business, results of operations and prospects.

For further details of our loans, please refer chapter titled " Financial Indebtedness" beginning on Page 201 of this Draft Red Herring Prospectus.

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

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

56. The raw material and the finished product stored at our factory premises may be subject to distortion and colour fading due to lapse of time.

The raw materials and finished products of our Company are stored in the godown located at our factory. Cotton, by its natural aging process, is prone to color changes over time. If raw materials or finished goods remain unsold for an extended period, they may experience color fading, potentially reducing their usability or market value. In such cases, we may need to either discard the affected products or sell them at a lower price, which could negatively impact our profitability and production schedule.

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

Our manufacturing technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions. Although we believe that we have installed plant and machineries with the latest upgraded technology suitable for cotton yarn production, we shall further continue to strive to keep our technology updated. In case of a new found technology in the industry we may be required to implement new technology employed by us which will render our current technology obsolete. Further, the cost in upgrading our technology may be significant which could substantially affect our finances and operations. For further details, please refer to section titled "Business Overview" beginning on page 130 of this Prospectus.

58. All our manufacturing facilities are located at Kadi, Gujarat

We manufacture our products from our manufacturing facilities which are located at Kadi, Gujarat. Any disruption in the operations due to supply of power, fire outages or industrial accidents at the unit could hamper or delay our ability to continue

production and servicing. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

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

Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of machinery for material handling. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. We maintain standard fires and perils policies in respect of the buildings, plant and machinery, stocks of goods, raw material and office equipment in our manufacturing facilities. Further, apart from the above risk our products are also vulnerable to water and moisture. High content of moisture in the cotton or the cotton getting wet due to water then the same cannot be used for production. Also, in case if the moisture content is more in the finished product the same cannot be sold to the customer or the customer may reject the order. Any such incident at our factory, godown or at any other place could adversely affect our business, financial condition, cash flows and results of operations.

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

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations for further details of our Plant and Machineries, please refer to chapter titled “Business Overview” beginning on page 130 of the Prospectus.

61. Our business is dependent on the adequate and uninterrupted supply of electrical power at a reasonable cost. Failure on account of unavailability of electrical power may restrict us in utilizing our full capacity and, hence, may impact our business and results of operation.

Adequate and cost effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. Currently, we source of our power requirements from the State Electricity Board. There can be no assurance that electricity supplied by them will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted power supply in the future at a reasonable cost. Further, if the per unit cost of electricity is increased by the state electricity boards, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins.

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

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

63. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

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. 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 refer to the Section “Dividend Policy” on page 187 of the Prospectus.

64. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.

As per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the appointment of a monitoring agency is mandatory for issue sizes exceeding ₹100 crore. Since our issue size is below this threshold, we have not appointed a monitoring agency to oversee the utilization of the issue proceeds. However, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Audit Committee will monitor the utilization of the issue proceeds. Furthermore, our Company will report any material deviations in the utilization of issue proceeds to the stock exchange and will simultaneously make public any material deviations or adverse comments from the Audit Committee.

65. Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application.

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are not permitted to withdraw or lower their application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant’s ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

EXTERNAL RISK FACTORS

66. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. 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 market price of the Equity Shares.

67. Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the “CCI”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void.

Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the “Combination Regulation Provisions”), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

68. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.*

The goods and service tax (“GST”) that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules (“GAAR”), The general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

69. *You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.*

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the resolution, or unless the company has obtained approval from the Government of India to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

70. *Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.*

We currently operate only in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the Textile & Apparel industry of the Indian economy. There have been periods of slowdown in the economic growth of India. For instance, the present situation of lock-down is prevailing in India due to pandemic Covid-19 spread in India and all other parts of world. If such condition prevail for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India’s economic growth is also affected by various other 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. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could 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.

71. Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.

The Ministry of Corporate Affairs (“MCA”), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 (“Ind AS”) which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“ICDS”), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

72. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India’s principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

73. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations’ debt troubles and move to break away by the United Kingdom from the European Union. 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. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. 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 and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global

credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

74. A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavorable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and e-commerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well.

Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Equity Shares Issued*: Public Issue of Equity Shares by our Company	Up to 55,00,000 Equity Shares of face value ₹ 10 each, aggregating to ₹ [●] Lakhs
of which	
Issue Reserved for the Market Makers	[●] Equity Shares aggregating to ₹ [●] Lakhs
Net Issue to the Public	[●] Equity Shares aggregating to ₹ [●] Lakhs
of which	
A. QIB Portion	Not more than [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(a) Anchor Investor Portion	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
B. Non-Institutional Category	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
C. Retail Portion	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
Equity Shares outstanding prior to the Issue	1,50,00,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	2,05,00,000 Equity Shares of face value of ₹10 each
Objects of the Issue/ Use of Issue Proceeds	Please see the chapter titled “Objects of the Issue” on page 86 of this Draft Red Herring Prospectus

* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price

Note:

- (1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being issued to the public for subscription. For further details, please see the section titled “Issue Related Information” beginning on page 231 of this Draft Red Herring Prospectus.
- (2) The present Issue in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated January 18, 2025 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on January 18, 2025
- (3) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received within the offer price band. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Issue Procedure” beginning on page 242 of this Draft Red Herring Prospectus.
- (4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, 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 and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being

received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount (“ASBA”) process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see “Issue Procedure” on page 242 of this Draft Red Herring Prospectus.

- (5) 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. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- (6) In the event of an under-subscription in the issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLM shall first ensure Allotment of Equity Shares offered pursuant to the Fresh issue by the Issuer.
- (7) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

SUMMARY OF FINANCIAL INFORMATION
RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs.in Lakhs)

Particulars	Note	As at September 30, 2024	For the period ended Aug 04, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES						
1. Shareholders' funds						
(a) Share Capital	I.3	1,500.00	-	-	-	-
(b) Partner's Capital	I.4	0.00	2,527.03	2,227.76	3,204.90	3,183.00
(c) Reserves and surplus	I.5	38.79	-	-	-	-
Sub Total Shareholders' Funds (A)		1,538.79	2,527.03	2,227.76	3,204.90	3,183.00
2. Non-current liabilities						
(a) Long-term borrowings	I.6	2,847.42	1,897.78	1,841.82	1,007.41	2,735.50
(b) Other Non-current Liabilities		-	-	-	-	-
(c) Deferred Tax liability	I.7	469.58	460.99	436.39	364.45	405.66
(d) Long-term provisions	I.8	34.37	32.89	29.24	39.18	26.03
Sub Total Non-Current Liabilities (B)		3,351.37	2,391.67	2,307.46	1,411.04	3,167.18
3. Current liabilities						
(a) Short-term borrowings	I.9	2,161.72	1,358.33	2,159.75	2,176.08	1,462.17
(b) Trade payables	I.10					
i) Due to MSME		74.61	260.77	247.14	30.26	17.33
ii) Due to Others		1,277.46	856.26	1,218.75	201.32	25.86
(c) Other current liabilities	I.11	368.05	164.62	197.50	88.95	403.18
(d) Short-term provisions	I.12	77.82	64.38	120.56	73.86	56.50
Sub Total Current Liabilities (C)		3,959.66	2,704.35	3,943.69	2,570.46	1,965.04
TOTAL (A+B+C)		8,849.82	7,623.05	8,478.91	7,186.40	8,315.22
ASSETS						
1. Non-current assets						
(a) Property, Plant and Equipment and Intangible assets						
(i) Property, Plant and Equipment	I.13	4,803.31	4,898.11	5,140.82	4,167.18	4,751.88
(ii) Capital work-in-progress						
(b) Non-current investments	I.14	-	-	-	-	0.03
(c) Long-term loans and advances						
(d) Deferred Tax Assets						
(e) Other Non-Current Assets	I.15	193.85	193.85	186.17	164.84	446.82
Total Non-Current Assets (A)		4,997.16	5,091.96	5,326.99	4,332.03	5,198.72
2. Current assets						
(a) Inventories	I.16	2,364.94	1,991.76	2,494.56	1,570.88	2,218.15
(b) Trade receivables	I.17	702.34	40.25	230.83	976.61	98.20
(c) Cash and Bank Balances	I.18	226.92	11.99	10.40	102.14	3.23
(d) Short-term loans and advances	I.19	544.25	454.85	408.45	192.20	795.59
(e) Other Current Assets	I.20	14.20	32.24	7.68	12.53	1.33
Total Current Assets (B)		3,852.65	2,531.09	3,151.92	2,854.37	3,116.50
TOTAL (A+B)		8,849.82	7,623.05	8,478.91	7,186.40	8,315.22
Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements Appearing in Specific notes.						

RESTATED STATEMENT OF PROFIT & LOSS
(Rs.in Lakhs)

	Particulars	Note	For the period ended				
			September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
I	Revenue from operations	II.21	1,813.17	7,553.83	35,745.91	30,178.47	18,286.34
II	Other Income	II.22	1.56	3.77	36.41	39.36	11.94
III	Total Income (I+II)		1,814.73	7,557.61	35,782.31	30,217.83	18,298.28
	Expenses:						
	(a) Cost of materials consumed	II.23	2,082.94	5,258.54	20,506.34	9,378.50	15,190.44
	(b) Purchases of stock-in-trade	II.24	196.72	380.65	12,754.25	17,855.09	1,044.59
	(c) Changes in inventories of finished goods and work-in-progress	II.25	-901.33	888.63	-1,213.88	289.21	-583.26
	(d) Employee benefits expense	II.26	60.03	110.93	399.03	400.52	454.89
	(e) Finance costs	II.27	59.58	182.92	440.04	461.18	287.83
	(f) Depreciation and amortisation expense	II.28	94.80	211.41	557.99	596.29	673.61
	(g) Other expenses	II.29	175.18	385.46	1,818.53	1,304.94	1,310.05
IV	Total expenses		1,767.92	7,418.54	35,262.30	30,285.73	18,378.15
V	Profit /(Loss) before tax and Exceptional Items (III-IV)		46.82	139.07	520.01	-67.90	-79.87
VI	Exceptional Items		-	-	-	-	-
VII	Profit /(Loss) before tax (V-VI)		46.82	139.07	520.01	-67.90	-79.87
VIII	Tax expense:						
	(a) Current tax expense		-0.55	10.97	89.04	30.67	27.78
	(b) Short/(Excess) provision of tax for earlier years						
	(c) Deferred tax charge/(credit)	II.7	8.58	24.60	71.94	-41.21	-38.03
IX	Profit after tax for the year (VII-VIII)		38.79	103.49	359.04	-57.35	-69.62
XII	Earnings per share (face value of ₹ 10/- each):	II.8					
	(a) Basic (in ₹)		0.26	0.69	2.39	-0.38	-0.46
	(b) Diluted (in ₹)		0.26	0.69	2.39	-0.38	-0.46

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Specific notes.

RESTATED STATEMENT OF CASH FLOW
(Rs.in Lakhs)

Particulars	For the period ended				
	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before Extraordinary items	38.79	103.49	359.04	-57.35	-69.62
Adjustment For:					
(a) Depreciation and Amortization	94.80	211.41	557.99	596.29	673.61
(b) Provision for Deferred tax	8.58	24.60	71.94	-41.21	-38.03
(c) Provision for Employee Benefits	1.48	3.65	-9.93	13.15	26.03
(d) Loss/(Gain) on Sale / Discard of Assets (Net)	-	-	-	-	-
(e) Interest Income	-1.56	-3.77	-9.98	-34.78	-10.60
(e) Finance Costs	59.58	182.92	440.04	461.18	287.83
Operating Profit before Working Capital Changes	201.66	522.30	1,409.10	937.27	869.22
Adjustment For :					
(a) (Increase)/Decrease in Inventories	-373.18	502.80	-923.68	647.27	-596.21
(b) (Increase)/Decrease in Trade Receivables	-662.09	190.58	745.78	-878.42	-97.35
(c) (Increase)/Decrease in Short term loans & Advances	-36.92	-32.24	-239.17	646.72	36.66
(d) (Increase)/Decrease in Other Current Assets	18.04	-24.57	4.86	-11.21	-1.33
(e) (Increase)/Decrease in Other Non-Current Assets	-0.00	-7.68	-21.33	281.97	-446.82
(f) Increase /(Decrease) in Trade Payables	235.05	-348.86	1,234.31	188.39	-320.02
(g) Increase /(Decrease) in Other Current Liabilities	203.43	-32.89	108.56	-314.23	324.34
(h) Increase/(Decrease) in Short-term Provisions	57.20	-56.18	91.97	17.35	72.98
CASH GENERATED FROM OPERATIONS	-558.46	190.97	1,001.29	577.85	-1,027.73
Less : Direct Taxes paid (Net of Refund)	96.25	14.15	22.35	43.32	38.05
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-	-	-	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	-453.05	699.12	2,388.04	1,471.80	-196.56
B. CASH FLOW FROM INVESTING ACTIVITIES					
(a) Purchase of Property, Plant and Equipment	-	-	-1,531.63	-11.59	-364.51
(b) Sale of Property, Plant and Equipment	-	31.30	-	-	-
(c) Proceeds Received from sale of Investment	-	-	-	0.03	-
(d) Interest received	1.56	3.77	9.98	34.78	10.60
(e) Dividend received	-	-	-	-	-
NET CASH FROM INVESTING ACTIVITIES (B)	1.56	35.07	-1,521.65	23.22	-353.91
C. CASH FLOW FROM FINANCING ACTIVITIES					
(a) Proceeds from issue of Share capital	-	-	-	-	-
(b) Proceeds from Long Term Borrowings	-77.38	55.96	834.42	-	-
(c) Repayment of Long-Term Borrowings	-	-	-	-1,728.09	-1,262.89
(d) Proceeds from Short Term Borrowings	803.39	-	-	713.90	1,462.17
(e) Repayment of Short-Term Borrowings	-	-801.42	-16.33	-	-
(f) Proceeds from Partner's Current Account	-	195.77	-1,336.18	79.26	541.46
(g) Interest Paid	-59.58	-182.92	-440.04	-461.18	-287.83
NET CASH FLOW IN FINANCING ACTIVITIES (C)	666.43	-732.61	-958.12	-1,396.10	452.90
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+ (C)	214.93	1.59	-91.73	98.91	-97.57
OPENING BALANCE – CASH & CASH EQUIVALENT	11.99	10.40	102.13	3.23	100.80
CLOSING BALANCE - CASH & CASH EQUIVALENT	226.92	11.99	10.40	102.14	3.23

SECTION – V - GENERAL INFORMATION

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of “Vivekanand Cotspin LLP” pursuant to provisions of Limited Liability Partnership Act, 2008 (“LLP Act”), bearing registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style of “Vivekanand Cotspin Private Limited” pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General Meeting held on December 2, 2024 and consequently the name of our company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of our Company is U13111GJ2024PLC154066.

Our Company was originally promoted by Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel who were the initial subscribers to the Company’s Memorandum and Articles of Association. Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust are the present promoters of our Company.

For further details, please refer to chapter titled “*History and Corporate Structure*” beginning on page 160 of this Draft Red Herring Prospectus.

REGISTERED OFFICE

S/No 181/1, 182/1, At Rangpurda, Kadi,
 Mahesana- 382715 Gujarat, India
Tel. No.: +91 9227825102
E-mail: ipo@vcottonexport.com
Website: www.vcottonexport.com
Corporate Identity Number: U13111GJ2024PLC154066
Reg. No.: 154066

For details relating to changes to the address of our Registered Office, please see “*History and Corporate Structure - Changes to the address of the Registered Office of our Company*” on page 160 of this Draft Red Herring Prospectus.

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad
 ROC Bhavan, Opp. Rupal Park Society,
 Behind Ankur Bus Stop, Naranpura,
 Ahmedabad-380013, Gujarat, India.
Phone.: 079-27438531, 27438371
Email.: roc.ahmedabad@mca.gov.in
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited
 Exchange Plaza, Plot no. C/1, G Block,
 Bandra – Kurla Complex, Bandra (E)
 Mumbai - 400051, Maharashtra, India
Tel No.: 022 – 2272 1233/34
Website: www.nseindia.com

BOARD OF DIRECTORS

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
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Nirav Bharatbhai Patel	Chairman and Managing Director	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India	02055489
Jasmin Vishnubhai Patel	Whole Time Director	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India	06923150
Vishnubhai Prahladdas Patel	Non-Executive Director	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India	00375791
Bharatbhai Prahaladbhai Patel	Non-Executive Director	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India	00377202
Sandeep Kumar Likhmania	Non-Executive Independent Director	UGF-D Plot No. 67 and 68, Shakti Enclave, Burari, North Delhi, Delhi- 110084, India	03592714
Neha Agarwal	Non- Executive Independent Director	Plot No. B-81, Pink House, Arya Nagar, Extension Road, No.1 , Murlipura, Jaipur - 302039, Rajasthan, India	10121219

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 164 of this Draft Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Komal Vijaybhai Chauhan

S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana- 382715, Gujarat, India

Tel. No.: +91 9227825102

E-mail: cs@vcottonexport.com

Website: www.vcottonexport.com

CHIEF FINANCIAL OFFICER

Mr. Irfan Abdulbhai Mansuri

S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana- 382715, Gujarat, India

Tel. No.: +91 9227825102

E-mail: finance@vcottonexport.com

Website: www.vcottonexport.com

Investor Grievances

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Book Running Lead Manager, 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 etc.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Book Running Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to Book Running Lead Manager, who shall respond to the same.

Details of Key Intermediaries pertaining to this Issue and Our Company:

BOOK RUNNING LEAD MANAGER OF THE ISSUE

GROW HOUSE WEALTH MANAGEMENT PRIVATE LIMITED

Address: A-606, Privilon, Ambli Bopal Road, B/h. Iscon Temple
S.G. Highway, Ahmedabad-380054,
Gujarat, India.

Tel. No.: +91 93204 18005

Email: ipo@growhousewealth.com

Website: <https://growhousewealth.com>

Investor Grievance Email: investorrelation@growhousewealth.com

Contact Person: Hill Shah

SEBI Registration No.: INM000013262

LEGAL ADVISOR TO THE ISSUE

ANA ADVISORS

Address: 118 Shila Vihar, Gokulpura, Kalwar Road
Jhotwara, Jaipur-302012

Email Id: anaadvisors22@gmail.com

Tel No.: +91-9887906529

Contact Person: Kamlesh Kumar Goyal

REGISTRAR TO THE ISSUE

MUFG INTIME INDIA PRIVATE LIMITED

(Formerly known as Link Intime India Private Limited)

Address: C 101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (West), Mumbai, -400083, Maharashtra, India

Tel. No.: +91 8108114949

Email: vivekanand.smeipo@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance Email: vivekanand.smeipo@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK

[•]

BANKERS TO THE COMPANY

Bank of Baroda

Address: Nanikadi Branch, Detroj Road, Kadi Dist. Mehsana,
Gujarat-382715, India

Tel. No.: 9152940427

Email: nanika@bankofbaroda.com

Website: www.bankofbaroda.in

Contact Person: Mr. Rajesh Kumar Sah

Designation: Chief Manager

State Bank of India

Address: Nine Square Building, Kadi-Chhatral Road, Kadi
Gujarat, India

Tel. No.: 7600038819

Email: mukesh.kakkar@sbi.co.in, sbi.60436@sbi.co.in

Website: www.sbi.co.in

Contact Person: Mr. Mukesh Kakkar

Designation: Chief Manager

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

Mistry and Shah LLP, Chartered Accountants

Address: C 1008, Stratum, Venus Grounds, West wing,10th Floor,
Near Jhansi Ki Rani BRTS,

Nehrunagar, Ahmedabad, Gujarat-380015, India

Tel No +91 7940050150, +91 7940060150

Email: info@mistryandshah.com

Website: www.mistryandshah.com

Contact Person: CA Malav Shah

Membership No.: 117101

Firm Registration No.- W100683

Mistry and Shah LLP, Chartered Accountants hold a peer review certificate dated 28.11.2022 issued by the Institute of Chartered Accountants of India.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Grow House Wealth Management Private Limited is the sole Book Running Lead Manager to this Issue, and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter se allocation of responsibilities among Lead Managers is not required.

SELF CERTIFIED SYNDICATE BANKS (“SCSBs”) AND SYNDICATE SCSB BRANCHES

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf . For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Applicant (other than an UPI Applicants using the UPI mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time. Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicants (other than UPI Applicants) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

In relation to Applicants (other than Applications by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> , which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Applicants using the UPI mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website, which may be updated from time to time. 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. A list of SCSBs and mobile applications, which are live for applying public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , respectively and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

INVESTORS BANKS OR ISSUER BANKS 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 provide 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 ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx And www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm , respectively, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in) , and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , or such other websites as updated from time to time. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

BROKERS TO THE ISSUE

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

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, there is no requirement of appointing an IPO Grading agency.

DEBENTURE TRUSTEES

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

MONITORING AGENCY

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lakhs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

FILING OF THE OFFER DOCUMENT

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus /Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

The Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Red Herring Prospectus/Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be filed online for registration to the Registrar of Companies, Ahmedabad.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue

GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

EXPERT OPINION

Except for the reports in the section “*Restated Financial Statements*” and “*Statement of Possible Tax Benefits*” on page 188 and page 105 of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

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 shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and in Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager 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 Grow House Wealth Management Private Limited.
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE Limited and eligible to act as Underwriters.
- The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Offer 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 to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB 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 Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to 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 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 Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

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 (except Anchor Investors) applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “Issue Procedure” beginning on page 242 of the Draft Red Herring Prospectus.

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 the Offer.

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 242 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative 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 Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. 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:

➤ Check eligibility for making a Bid (see section titled “Issue Procedure” on page 242 of this Draft Red Herring Prospectus);

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 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 Offer will obtain the Demographic Details of the Bidders from the Depositories.
- 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 Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

BID/OFFER PROGRAM:

Event	Indicative Dates
Bid/ Issue Opening Date	[●]
Bid/ Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On and before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On and before [●]
Credit of Equity Shares to Demat accounts of Allottees	On and before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On and before [●]

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

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 Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer 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.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. 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 ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

UNDERWRITING

The Company and the Book Running Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by [●] in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company and Underwriter – [●], the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
[●]	Upto 55,00,000 Equity Shares of ₹ 10/- being Issued at ₹ [●] each	[●]	[●]

*Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

CHANGES IN AUDITORS DURING LAST THREE YEARS

Since our company was incorporated in the year 2024, the first auditor Mistry and Shah LLP is appointed on August 06, 2024. Further there is no change in the auditors during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

M/s. B. Shah & Associates, Chartered Accountants, were the auditors of our erstwhile Limited Liability Partnership firm for the financial ended on March 31, 2024, March 31, 2023 and March 31, 2022.

We have authorized our statutory auditor Mistry and Shah LLP, Chartered Accountants to act as Peer Review Auditor of our Company vide Board Resolution dated January 18, 2025.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

Name	[●]
Correspondence Address:	[●]
Tel No.:	[●]
E-mail:	[●]
Website:	[●]
Contact Person:	[●]
SEBI Registration No.:	[●]

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE Limited and SEBI regarding 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. 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 SME Platform of NSE (NSE EMERGE) 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 offer 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.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME Platform of NSE (NSE EMERGE) from time to time.
5. 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. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size 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 reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform NSE i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. 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.
10. 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.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. 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.

13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

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 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 the SEBI ICDR Regulations. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. Risk containment measures and monitoring for Market Makers: NSE EMERGE Exchange will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

15. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time.

16. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer 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 Platform.

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

17. **Punitive Action in case of default by Market Makers:** NSE EMERGE 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.

18. 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 to ₹ 50 Crore	20%	19%
₹ 50 to ₹ 80 Crore	15%	14%

Above ₹ 80 Crore	12%	11%
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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 /NSE from time to time.

SECTION VI – CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Draft Red Herring Prospectus and after giving effect to this Issue, is set forth below:

		Amount (Rs. in Lakhs, except share data)	
Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital 2,50,00,000 Equity Shares having Face Value of Rs 10/- each	2500.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue 1,50,00,000 Equity Shares having Face Value of Rs.10/- each issued fully paid up before the Issue.	1500.00	-
C	Present Issue in terms of the Draft Red Herring Prospectus ⁽¹⁾ Fresh Issue of upto 55,00,000 Equity Shares having Face Value of Rs.10/- each aggregating up to ₹ [●] lakhs.	[●]	[●]
	Consisting of:		
I.	Reservation for Market Maker portion [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
II.	Net Issue to the Public Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	Of the Net Issue to the Public ⁽²⁾		
	1. QIB Portion⁽²⁾	[●]	[●]
	Of which:		
	(a) Anchor Investor Portion	[●]	[●]
	b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●]	[●]
	Of which:		
	(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion (excluding Anchor Investor Portion)	[●]	[●]
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds	[●]	[●]
	2. Non-Institutional Category⁽²⁾	[●]	[●]
	3. Retail Portion⁽²⁾	[●]	[●]
D	Issued, Subscribed and Paid-up Equity Share capital after the Issue [●] Equity Shares of Face Value of Rs. 10/- each	[●]	-
E	Securities Premium Account		
	Before the Issue		Nil
	After the Issue		[●]*

⁽¹⁾The Present Issue of Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated January 18, 2025 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on January 18, 2025

⁽²⁾ The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

*The amount disclosed is prior to deduction of Issue expenses.

Class of Shares

As on the date of Draft Red Herring Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

Details of changes in Authorized Share Capital of our Company:

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

- a) The initial Authorised share capital of our Company was ₹15,00,00,000 (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of ₹10/- each.
- b) The Authorised share capital of our Company was increased from ₹15,00,00,000 (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of ₹10/- each to ₹25,00,00,000 (Rupees Twenty five Crore) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs. 10/- each pursuant to a resolution passed by our Shareholders in Extra-Ordinary General Meeting held on January 17, 2025.

Notes to Capital Structure:

1. Equity Share Capital History of our Company:

- (a) The history of the equity share capital and the securities premium account of our company are set out in the following table:

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity	Cumulative Paid-Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation	1,50,00,000	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	1,50,00,000	15,00,00,000	Nil

(i) Equity Shares allotted pursuant to conversion of 'Vivekanand Cotspin LLP', a Limited Liability Partnership into a Private Limited company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013 with the name of 'Vivekanand Cotspin Private Limited'

All the above-mentioned shares are fully paid up since the date of allotment.

Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed 1,50,00,000 Equity Shares of Face Value of Rs. 10/- each, fully paid at par pursuant to conversion of Limited Liability Partnership 'Vivekanand Cotspin LLP' into Company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013 details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Nirav Bharatbhai Patel	30,00,000
2.	Mr. Jasmin Vishnubhai Patel	30,00,000
3.	Mr. Bharatbhai Prahaladbhai Patel	30,00,000
4.	Mr. Vishnubhai Prahaladdas Patel	30,00,000
5.	Mr. Gautam Bharatkumar Patel	30,00,000
	Total	1,50,00,000

- (b) As on the date of the Draft Red Herring Prospectus, our Company does not have any preference share capital.
- (2) Except as mentioned above, the Company has not issued any Equity Share in the last two years preceding this Draft Red Herring Prospectus.
- (3) **Issue of Equity Shares for consideration other than cash**
- We have not issued any Equity Shares for consideration other than cash.
- (4) We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- (5) As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- (6) Our Company has not made any public issue (including any rights issue to the public) since its incorporation

- (7) As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option Scheme / Employees Stock Purchase Scheme.
- (8) The Issue Price shall be decided by our Company in consultation with the Book Running Lead Manager, except as disclosed below, we have not issued any Equity Shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Promoter / Promoter Group	Reasons for allotment
On Incorporation	Mr. Nirav Bharatbhai Patel	30,00,000	10.00	10.00	Promoter	Conversion of 'Vivekanand Cotspin LLP', a Limited Liability Partnership into a Private Limited company under Section 366 of Part I, Chapter XXI of the Companies Act, 2013 with the name of 'Vivekanand Cotspin Private Limited'
	Mr. Jasmin Vishnubhai Patel	30,00,000			Promoter	
	Mr. Bharatbhai Prahaladbhai Patel	30,00,000			Promoter	
	Mr. Vishnubhai Prahaladdas Patel	30,00,000			Promoter	
	Mr. Gautam Bharatkumar Patel	30,00,000			Promoter	

(9) Shareholding Pattern of our Company

The shareholding pattern of our Company before the Issue as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given here below:

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

* All Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus, will be locked in as mentioned above prior to listing of shares on SME Platform of NSE. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

I – Summary of Shareholding Pattern: -

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								Class Equity Shares of	No of Voting Rights	Total as a % of (A+B+ C)			No. (a)	As a Share% of total res held (b)	No. (a)	As a % of total Share s held (b)	
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII	XIV	
(A)	Promoter & Promoter Group	9	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	1,50,00,000	100.00	-	100.00	-	-	-	1,50,00,000	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	9	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	1,50,00,000	100.00	-	100.00	-	-	-	1,50,00,000	

*As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group

Sr. No. (I)	Category of shareholder (II)	Nos. Of shares (II I)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
								Class eg: X	Class eg: Y									Total
(1)	Indian																	
(a)	Individuals/Hindu undivided Family																	
1.	Nirav Bharatbhai Patel	1	30,00,000	-	-	30,00,000	20.00	30,00,000	-	30,00,000	20.00	-	20.00	-	-	-	-	30,00,000
2.	Jasmin Vishnubhai Patel	1	30,00,000	-	-	30,00,000	20.00	30,00,000	-	30,00,000	20.00	-	20.00	-	-	-	-	30,00,000
3.	Bharatbhai Prahaladbhai Patel	1	29,99,800	-	-	29,99,800	20.00	29,99,800	-	29,99,800	20.00	-	20.00	-	-	-	-	29,99,800
4.	Vishnubhai Prahaladdas Patel	1	29,99,800	-	-	29,99,800	20.00	29,99,800	-	29,99,800	20.00	-	20.00	-	-	-	-	29,99,800

5.	Gautam Bharatkumar Patel	1	30,00,000	-	-	30,00,000	20.00	30,00,000	-	30,00,000	20.00	-	20.00	-	-	-	-	30,00,000
6.	Preet Vishnubhai Patel	1	100	-	-	100	Negligible	100	-	100	Negligible	-	Negligible	-	-	-	-	100
7.	Ranjanben Bharatbhai Patel	1	100	-	-	100	Negligible	100	-	100	Negligible	-	Negligible	-	-	-	-	100
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other – Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.	B P Patel Family Trust	1	100	-	-	100	Negligible	100	-	100	Negligible	-	Negligible	-	-	-	-	100
2.	V P PATEL Family Trust	1	100	-	-	100	Negligible	100	-	100	Negligible	-	Negligible	-	-	-	-	100
	Sub-Total (A)(1)	9	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	-	1,50,00,000	100.00	-	100.00	-	-	-	-	1,50,00,000
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)	9	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	-	1,50,00,000	100.00	-	100.00	-	-	-	-	-	1,50,00,000
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A																		

Table III - Statement showing shareholding pattern of the public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities	Shareholding , as a % assuming full conversion of convertible securities	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in	
								Class eg: X	No of Voting Rights (XIV)	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
																		Class eg:y
(B1)	Institutions (Domestic)																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Asset reconstruction companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B2)	Institutions (Foreign)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(a)	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors Category I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors Category II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B3)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B4)	Non-institutions																	
(a)	Associate Companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Relatives of promoter (other than 'immediate relatives' of promoters)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	disclosed under 'Promoter and Promoter Group' category)																	
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Investor Education and Protection Fund (IEPF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Resident Individuals holding nominal share capital upto ₹ 2 Lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Resident Individuals holding share capital in excess of ₹ 2 Lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Non-Resident Indians (NRIs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Foreign Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(l)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(m)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+ (B)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A																		
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.																		

Table IV - Statement showing shareholding pattern of the Non-Promoter- Non Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholder s (III)	No. of fully paid up equity shares held (IV)	No. Of Partl y paid-up equity shares held (V)	No. Of shares underlyin g Depositor y Receipts (VI)	Total nos. shares held (VII) = (IV) +(V) + (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlyin g Outstand ing convertible securities (Includin g Warrants) (X)	Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights					Total as a % of (A+B+C)	N o. (a)	As a % of total shar es held (b)	N o. (a)		As a % of total share s held (b)
								Class eg: X	Class eg:y	Total								
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)																	

Table V - Statement showing details of significant beneficial owners

Sr No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation/acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of Shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
N/A									

(10) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20.00
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20.00
3.	Mr. Bharatbhai Prahaladbhai Patel	29,99,800	20.00
4.	Mr. Vishnubhai Prahaladdas Patel	29,99,800	20.00
5.	Mr. Gautam Bharatkumar Patel	30,00,000	20.00
	Total	1,49,99,600	100.00

(11) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Draft Red Herring Prospectus are:

Our Company was incorporated on August 5, 2024 pursuant to conversion of the Limited Liability Partnership Firm “Vivekanand Cotspin LLP.” which is less than two years prior to the date of filing of the Draft Red Herring Prospectus. Hence, requirement of disclosing the list of shareholders prior to two years from the date of filing of the Draft Red Herring Prospectus is not applicable on us.

(12) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Draft Red Herring Prospectus are:

Our Company was incorporated on August 5, 2024 pursuant to conversion of the Limited Liability Partnership Firm “Vivekanand Cotspin LLP.” which is less than One Year prior to the date of filing of the Draft Red Herring Prospectus. Hence, requirement of disclosing the list of shareholders prior to one year from the date of filing of the Draft Red Herring Prospectus is not applicable on us.

(13) The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Draft Red Herring Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20.00
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20.00
3.	Mr. Bharatbhai Prahaladbhai Patel	29,99,800	20.00
4.	Mr. Vishnubhai Prahaladdas Patel	29,99,800	20.00
5.	Mr. Gautam Bharatkumar Patel	30,00,000	20.00
	Total	1,49,99,600	100.00

(14) Except shares issued on Incorporation of Company pursuant to conversion of Limited Liability Partnership Firm to Company there is no other subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing the Draft Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.

(15) None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Nirav Bharatbhai Patel	Promoter, Chairman and Managing Director	30,00,000
Mr. Jasmin Vishnubhai Patel	Promoter and Whole Time Director	30,00,000
Mr. Bharatbhai Prahaladbhai Patel	Promoter and Non-Executive Director	29,99,800
Mr. Vishnubhai Prahaladdas Patel	Promoter and Non-Executive Director	29,99,800

(16) Capital Build up in respect of shareholding of our Promoters:

As on date of the Draft Red Herring Prospectus, our promoter Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust and are holding 1,49,99,800 Equity Shares which constitute 100% of the issued and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoter are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)	Pre-Issue Shareholding %	Post-Issue Shareholding %
Nirav Bharatbhai Patel						
On Incorporation	Subscriber to MOA	30,00,000	10.00	10.00	20.00	[●]
	Total A	30,00,000			20.00	[●]
Jasmin Vishnubhai Patel						
On Incorporation	Subscriber to MOA	30,00,000	10.00	10.00	20.00	[●]
	Total B	30,00,000			20.00	[●]
Bharatbhai Prahaladbhai Patel						
On Incorporation	Subscriber to MOA	30,00,000	10.00	10.00	20.00	[●]
September 30, 2024	Transfer ⁽ⁱ⁾	(100)	10.00	10.95	(Negligible)	[●]
February 06, 2025	Transfer ⁽ⁱⁱⁱ⁾	(100)	10.00	-	(Negligible)	[●]
	Total C	29,99,800			20.00	[●]
Vishnubhai Prahaladdas Patel						
On Incorporation	Subscriber to MOA	30,00,000	10.00	10.00	20.00	[●]
September 30, 2024	Transfer ⁽ⁱⁱ⁾	(100)	10.00	10.95	(Negligible)	[●]
February 06, 2025	Transfer ^(iv)	(100)	10.00	-	(Negligible)	[●]
	Total D	29,99,800			20.00	[●]
Gautam Bharatkumar Patel						
On Incorporation	Subscriber to MOA	30,00,000	10.00	10.00	20.00	[●]
	Total E	30,00,000			20.00	[●]
B P Patel Family Trust						
February 06, 2025	Acquisition of Shares by way of gift ^(v)	100	10.00	-	Negligible	[●]
	Total F	100			Negligible	[●]
V P Patel Family Trust						
February 06, 2025	Acquisition of Shares by way of gift ^(vi)	100	10.00	-	Negligible	[●]
	Total G	100			Negligible	[●]
Grand Total (A+B+C+D+E+F+G)		1,49,99,800			100.00	[●]

Note – All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares

(i) Details of Share transfer by Bharatbhai Prahaladbhai Patel, dated September 30, 2024

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	September 30, 2024	Bharatbhai Prahaladbhai Patel	100	Ranjanben Bharatbhai Patel
Total			100	

(ii) Details of Share transfer by Vishnubhai Prahaladdas Patel, dated September 30, 2024

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	September 30, 2024	Vishnubhai Prahaladdas Patel	100	Preet Vishnubhai Patel
Total			100	

(iii) Details of Share Transfer by Bharatbhai Prahaladbhai Patel, dated February 06, 2025

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	February 06, 2025	Bharatbhai Prahaladbhai Patel	100	B P Patel Family Trust

Total		100	

(iv) Details of Share transfer by Vishnubhai Prahaladdas Patel, dated February 06, 2025

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	February 06, 2025	Vishnubhai Prahaladdas Patel	100	V P Patel Family Trust

(v) Details of acquisition of shares by way of gift by B P Patel Family Trust dated February 06, 2025

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	February 06, 2025	Bharatbhai Prahaladbhai Patel	100	B P Patel Family Trust
Total			100	

(vi) Details of acquisition of shares by way of gift by V P Patel Family Trust dated February 06, 2025

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	February 06, 2025	Vishnubhai Prahaladdas Patel	100	V P Patel Family Trust
Total			100	

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Nirav Bharatbhai Patel	30,00,000	10
Jasmin Vishnubhai Patel	30,00,000	10
Bharatbhai Prahaladbhai Patel	29,99,800	10
Vishnubhai Prahaladdas Patel	29,99,800	10
Gautam Bharatkumar Patel	30,00,000	10
B P Patel Family Trust	100	-
V P Patel Family Trust	100	-

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each. The Average Cost of Acquisition of Equity Shares by our Promoters has been calculated by taking into account the Amount Paid by them to acquire and shares allotted to them against their credit balance in Partners Capital account of Erstwhile Partnership firm as reduced by amount received on sell of shares i.e., net of sale consideration is divided by Net Quantity of shares acquired.

(18) Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

Date of Transaction	Number of Equity Shares Allotted/ Acquired/ (Sold)	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/transferee	Category
September 30, 2024	100	10.00	10.95	Acquisition by transfer	Cash	Preet Vishnubhai Patel	Promoter Group
	100	10.00	10.95	Acquisition by transfer	Cash	Ranjanben Bharatbhai Patel	Promoter Group
	(100)	10.00	10.95	Transfer	Cash	Vishnubhai Prahaladdas Patel	Promoter and Non-Executive Director

	(100)	10.00	10.95	Transfer	Cash	Bharatbhai Prahaladbhai Patel	Promoter and Non-Executive Director
February 06, 2025	100	10.00	--	Acquisition of Shares by way of gift	--	B P Patel Family Trust	Promoter
	100	10.00	--	Acquisition of Shares by way of gift	--	V P Patel Family Trust	Promoter
	(100)	10.00	--	Transfer of shares through gift	--	Bharatbhai Prahaladbhai Patel	Promoter and Non-Executive Director
	(100)	10.00	--	Transfer of shares through gift	--	Vishnubhai Prahaladdas Patel	Promoter and Non-Executive Director

(19) Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Red Herring Prospectus is as below: -

S. No	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital	
		No. of Equity Shares held	% of paid-up Equity Share capital	No. of Equity Shares held	% of paid-up Equity Share capital
A.	PROMOTERS				
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20.00%	30,00,000	[●]
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20.00%	30,00,000	[●]
3.	Mr. Bharatbhai Prahaladbhai Patel	29,99,800	20.00%	29,99,800	[●]
4.	Mr. Vishnubhai Prahaladdas Patel	29,99,800	20.00%	29,99,800	[●]
5.	Mr. Gautam Bharatkumar Patel	30,00,000	20.00%	30,00,000	[●]
6.	B P Patel Family Trust	100	Negligible	100	[●]
7.	V P Patel Family Trust	100	Negligible	100	[●]
	TOTAL (A)	1,49,99,800	100.00%	1,49,99,800	[●]
B.	PROMOTER GROUP				
1.	Mr. Preet Vishnubhai Patel	100	Negligible	100	[●]
2.	Mrs. Ranjanben Bharatbhai Patel	100	Negligible	100	[●]
	TOTAL (B)	200	Negligible	200	[●]
C.	PUBLIC				
	TOTAL (C)	-	-	-	[●]
D.	PUBLIC IN IPO				
	TOTAL (D)	-	-	55,00,000	[●]
	GRAND TOTAL (A+B+C+D)	1,50,00,000	100.00	2,05,00,000	[●]

(20) Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/ Transfer	No. of shares Allotted/ Acquired/ Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
Nirav Bharatbhai Patel								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Jasmin Vishnubhai Patel								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Bharatbhai Prahaladbhai Patel								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Vishnubhai Prahaladdas Patel								

[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Gautam Bharatbhai Patel								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
TOTAL			[●]			[●]		

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoter Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoter, other than the Minimum Promoter contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Nirav Bharatbhai Patel, Jasmin Vishnubhai Patel, Bharatbhai Prahaladbhai Patel, Vishnubhai Prahaladdas Patel, Gautam Bharatkumar Patel have by a written undertaking, consented to have [●] Equity Shares held by him to be locked in as Minimum Promoter Contribution for a period of three years from the date of allotment in this Issue and will not be disposed /sold/transferred by the promoter during the period starting from the date of filing this Draft Red Herring Prospectus with SME Platform of NSE (NSE EMERGE) till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus. The Equity Shares under the Promoters contribution will constitute [●] % of our post-Issue paid up share capital.

Our Promoter has also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <u>Hence Eligible</u>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter's contribution consists of such Equity Shares allotted on conversion of LLP to Company against the capital held for more than one year. <u>Hence Eligible.</u>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Details of Share Capital Locked in For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group members and Public holding [●] Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of 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 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

- (21) None of our Promoter, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
- (22) Neither, we nor our Promoter, Directors and the Book Running Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
- (23) As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Issue.
- (24) As on the date of the Draft Red Herring Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
- (25) Our Company has not raised any bridge loan against the proceeds of the Issue.
- (26) Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.

- (27) As on the date of the Draft Red Herring Prospectus, none of the shares held by our Promoter / Promoters Group are subject to any pledge.
- (28) The Book Running Lead Manager i.e. Grow House Wealth Management Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Red Herring Prospectus.
- (29) We here by confirm that 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 Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
- (30) Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
- (31) None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
- (32) An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- (33) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
- (34) In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
- (35) The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
- (36) The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
- (37) At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- (38) Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
- (39) As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme// Employees Stock Purchase Scheme.
- (40) There are no Equity Shares against which depository receipts have been issued.
- (41) Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Red Herring Prospectus.
- (42) We have 9 (Nine) Shareholders as on the date of filing of the Draft Red Herring Prospectus.
- (43) There are no safety net arrangements for this Public Issue.
- (44) Our Promoter and Promoter Group will not participate in this Issue.
- (45) This Issue is being made through Book Building Method.

- (46) Except as disclosed in the Draft Red Herring Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Red Herring Prospectus.
- (47) No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
- (48) We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

SECTION VII – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a public Issue of upto 55,00,000 Equity Shares of face value of Rs. 10 each of our Company at an Issue Price of [●] per Equity Share.

Requirement of Funds: -

We intend to utilize the net proceeds of the Issue to meet the following objects: -

1. Funding for capital expenditure requirement towards installation of additional plant and machinery
2. Funding Working Capital Requirement of our Company
3. General Corporate Purpose

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA). Further the objects clause and objects incidental and ancillary to the main objects clause of our Subsidiary, enables to undertake their existing business activities

Proceeds of the Issue:

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

Particulars	Amt. (₹ in Lakhs)
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses*	[●]
Net Issue Proceeds*	[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

Utilization of Funds:

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Size
1.	Funding capital expenditure requirement towards installation of additional plant and machinery	101.02	[●]
2.	Funding Working Capital Requirement of our Company	1590.00	[●]
3.	General Corporate Expenses*	[●]	[●]
Net Issue Proceeds		[●]	[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2025-26*
1.	Funding capital expenditure requirement towards installation of additional plant and machinery	101.02
2.	Funding Working Capital Requirement of our Company	1590.00
3.	General Corporate Expenses*	[●]

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 25 of the Draft Red Herring Prospectus.

Means of Finance: - We intend to finance our Objects of Issue through Net Proceeds which is as follows:

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	[●]
Total	[●]

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

Details of the Objects:

1. Funding capital expenditure requirement towards installation of additional plant and machinery

Our company is engaged in the business of cotton processing and yarn manufacturing sector by way of Ginning of cotton and spinning of cotton yarn along with its trading. We aim to continue investing in our existing plant & machinery to maintain competitiveness, improve operational efficiency, and support growth. As part of such investment, we will incur expenditure towards the purchase of various types of plant & machinery as mentioned in the table below.

Accordingly, our Company has identified the plant & machinery to be purchased and obtained quotations from respective vendors and is yet to place any orders or enter into any definitive agreements for such plant & machinery. No second-hand or used plant & machinery is proposed to be purchased out of the Net Proceeds. The amount to be spent on plant & machinery to be procured by our Company will depend upon business requirements. Our Company proposes to use Net Issue Proceeds to the extent to Rs.101.02 Lakhs to meet capital expenditure requirement of the company. The details and total estimated cost towards purchasing plant & machinery for the capital expenditure are set forth in the table below.

Sr.No.	List of work & activity	Source/vendor	Amount (in Lakhs)	Quotation Date	Validity Date
1.	Ring Frame LR9/AX/AXL	LMW Limited	9.21	February 24, 2025	
2.	Lap Former LH15		0.35		

3.	Card LC363/361		0.43		30 days from the quotation date
4.	Ring Frame LR9/AX/AXL		0.68		
5.	Comber LK69		2.45		
6.	Comber LK69		1.26		
7.	Ring Frame LR9/AX/AXL		0.42		
8.	Ring Frame LR9/AX/AXL		0.69		
9.	Comber LK69		0.55		
10.	Ring Frame LR9/AX/AXL		0.37		
11.	Card LC363/361		0.46		
	Total Price		16.87		
	Add: IGST		3.04		
	Total Cost		19.91		

Sr.No.	List of work & activity	Source/vendor	Amount (in Lakhs)	Quotation Date	Validity Date
1.	Ring Frame LR9/AX/AXL	LMW Limited	0.50	February 24, 2025	30 days from the quotation date
2.	Ring Frame LRJ 9/AX/AXL		4.55		
3.	Speed Frame LF4200A		0.30		
4.	Ring Frame LRJ 9/AX/AXL		20.30		
5.	Comber LK69		0.06		
6.	Comber LK69		0.04		
7.	Comber LK69		0.03		
8.	Card LC363/361		0.04		
9.	Carding Machine Model LC1/3		0.03		
10.	Ring Frame Machine Model LG5/1		0.03		
11.	Speed Frame LF1400A		0.02		
12.	Draw Frame Single Delivery Auto Leveler LDF3 S		0.48		
13.	Ring Frame LR9/AX/AXL		39.49		
14.	Ring Frame LRJ 9/AX/AXL		2.56		
15.	Ring Frame LRJ 9/AX/AXL		0.05		
16.	Ring Frame LRJ 9/AX/AXL		0.02		
17.	Ring Frame 75MM Gauge LR9/AX/AXL		0.02		
18.	Ring Frame LR9/AX/AXL		0.05		
19.	Ring Frame 75MM Gauge LR9/AX/AXL		0.04		
20.	Speed Frame LF4200A		0.09		
21.	Carding Machine Model LC1/3		0.04		
	Total Price		68.74		
	Add: IGST		12.37		
	Total Cost		81.11		

Note:

- (1) The amount included in the quotation may be subject to price revisions, basis inter alia prevailing market conditions. In case of an increase in quoted amount due to a price revision, we will bear the difference out of internal accruals.
- (2) The amount included in the quotation does not include certain additional charges, inter alia installation, insurance, technician expense, transportation, duties and levies which may be payable by our Company under applicable law. We will bear the cost of such additional charges, as applicable, out of our internal accruals.
- (3) The purchased Plant & Machinery are not second hand.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we are yet to place any orders for the total capital expenditure. We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management and could be subject to change in the future. We may have to revise our funding requirements and deployment on account of a variety

of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Our Company shall have the flexibility to deploy such equipment in relation to the capital expenditure or such other equipment as may be considered appropriate, according to the business or engineering requirements of such facilities, subject to the total amount to be utilized towards purchase of such equipment not exceeding ₹101.02 Lakhs.

Our Directors, Key Managerial Personnel, Senior Management Personnel and Group Companies do not have any interest in above mentioned Object or in the entities from whom we have obtained quotations in relation to such proposed expenses.

2. Funding Working Capital Requirement of our Company

Since Incorporation, our Company is in business of cotton processing and yarn manufacturing along with its trading. The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of ₹1590.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business. The Company will be utilising the additional working capital for expansion of its business activities.

Details of Estimated of Working Capital requirement are as follows:

(Rs. In Lakhs)

S. No.	Particulars	Restated	Restated	Restated	Restated	Restated	Provisional	Projection
		March 31, 2022	March 31, 2023	March 31, 2024	August 04, 2024	September 30, 2024	March 31, 2025	March 31, 2026
I	Current Assets							
	Trade receivables	98.20	976.61	230.83	40.25	702.34	389.5	1792.15
	Inventories	2218.15	1570.88	2494.56	1991.76	2364.94	3302.98	4888.61
	Cash and cash equivalents	3.23	102.14	10.40	11.99	226.92	13.25	14.88
	Short term loan & Advances	795.59	192.20	408.45	454.85	544.25	103.75	123.19
	Other Current Assets	1.33	12.53	7.68	32.24	14.20	80.92	300.00
	Total(A)	3116.50	2854.36	3151.92	2531.09	3852.65	3890.4	7118.83
II	Current Liabilities							
	Trade payables	43.19	231.58	1465.89	1117.03	1352.08	279.97	1025.49
	Short Term Provisions	56.50	73.86	120.56	64.38	77.82	83.75	103.19
	Other Current Liabilities	403.18	88.95	197.50	164.62	368.05	100.01	102.49
	Total (B)	502.87	394.39	1783.95	1346.03	1797.95	463.73	1231.17
III	Total Working Capital Gap (A-B)	2613.63	2459.97	1367.97	1185.06	2054.70	3426.67	5887.66
IV	Funding Pattern							
	Short-term borrowing & Internal Accruals	2613.63	2459.98	1367.97	1185.06	2054.70	3426.67	4297.66
	IPO Proceeds							1590.00

Key assumptions for working capital projections made by the Company:

Particulars	Restated	Restated	Restated	Restated	Restated	Provisional	Projection
	March 31, 2022	March 31, 2023	March 31, 2024	August 04, 2024	September 30, 2024	March 31, 2025	March 31, 2026
Debtors (in days)	1	6	6	2	9	5	10
Creditors (in days)	5	2	9	27	33	9	6
Inventories (in days)	45	25	23	43	56	30	40

Justification:

S. No.	Particulars
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Debtors	We expect Debtors holding days to be at 5 days approx. for FY 2024-25 and 10 days for FY 2025-26 based on increased sales of Products and strategic shift to align with industry norms while supporting business expansion.
Creditors	We expect creditor payment days to be at 9 days approx. for FY 2024-25 and 6 days for FY 2025-26 based on increased purchase and better credit period allowed by suppliers.
Inventories	We expect Inventory levels to maintain 30 days approx. for FY 2024-25 and 40 days for FY 2025-26 due to their trading cycle, increase in sales and maintaining required level of Inventory.

(1) Based on certificate by our statutory Auditor, M/s. Mistry & Shah., Chartered Accountants vide its certificate dated February 08, 2025.

(2) Inventory days: Average of inventory for the current and previous period / Cost of goods sold * 365

(3) Trade receivable days: Average of trade receivables for the current and previous period/ revenue from operations * 365

(4) Trade payable days: Average of trade payables for the current and previous period / total purchases for the current period * 365

(5) For the purpose of calculation of number of days: the period as on 04th August, 2024 indicates the period from 1st April, 2024 to 04th August, 2024 and the period as on 30th September, 2024 indicates the period from 1st April, 2024 to 30th September, 2024.

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below.

Component of Working Capital	Particulars
Cash and Cash Equivalents	Cash and cash equivalents include balances in current account with scheduled bank and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company. Cash and Cash Equivalents does not include other cash balances.
Loans and Advances	Loans and advances mainly include Advance to creditors, Security Deposit, unbilled revenue and Other miscellaneous items. Loans and advances is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Current Assets	Other Current Assets mainly include Balance with Revenue Authorities and Prepaid Expenses. Other Current Assets is for expected Business requirement of company.
Other current liabilities	Other Liabilities mainly include Statutory dues payable to government and expense & Other payables. Other current liabilities are estimated based on previous years outstanding amount and for expected Business requirement of company.
Short-term provisions	Short-term provisions mainly include Provision for income tax, provision of gratuity expenses and provision of other expenses. Short-term provisions is estimated based on previous years outstanding amount and for expected Business requirement of company.

Justifications for Net Working Capital:

Over FY2023-24 and the period ending 30/09/2024, net working capital increased from ₹1367.97 lakhs to ₹2054.70 lakhs due to growth in trade receivables. By FY2025-26 and FY2026-27, it is projected to rise further to ₹3426.67 lakhs and ₹5887.66 lakhs, respectively, driven by:

Higher Sales Volumes: Anticipated growth in demand.

Competitive Strategy: A focus on leveraging business opportunities while adapting to the competitive landscape.

To manage this growth, the company plans to use ₹1590 lakhs from its IPO proceeds in FY 2025-26 to support working capital requirements. This ensures sufficient liquidity for higher inventory levels and receivables, enabling seamless operations and supporting future growth.

Trade Receivables

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Trade Receivable	976.61	230.83	702.34	389.50	1792.15
In Days	6	6	9	5	10

Company's trade receivables declined from ₹ 976.61 lakhs in FY 2022-23 to ₹ 230.83 lakhs in FY 2023-24 but subsequently increased to ₹ 702.34 lakhs as of September 30, 2024. Going forward, trade receivables are projected at ₹ 389.50 lakhs in FY

2024-25 and ₹ 1,792.15 lakhs in FY 2025-26. In terms of average trade receivable days, the period remained at 6 days in FY 2023-24 and increased to 9 days as of September 30, 2024, and is projected to be 5 days in FY 2024-25 and 10 days in FY 2025-26. The moderate increase in receivable days reflects a strategic shift to align with industry norms while supporting business expansion. The cotton yarn and cotton bales industry typically offers moderate credit periods to downstream buyers, such as fabric manufacturers and textile mills.

The fluctuations in trade receivables can be attributed to several key factors:

➤ **Increase in Turnover (FY 2022-23)**

During FY 2022-23, trade receivables increased from ₹98.20 lakh to ₹976.61 lakh, primarily due to a significant increase in turnover.

The rise in absolute trade receivables was a natural outcome of increased sales volume while maintaining standard credit terms.

➤ **Reduction in Trade Receivables (FY 2023-24): For FY 2023-24, trade receivables declined to ₹230.83 lakh due to:**

- Increased market volatility leading to tighter credit control.
- Higher working capital requirements, prompting the company to offer shorter credit periods to customers.
- Strong customer relationships, which allowed the company to enforce stricter payment terms without losing business.

➤ **Off-Season Impact (Stub Period: 01/04/2024 – 30/09/2024)**

As of 30/09/2024, trade receivables stood at ₹702.34 lakh, reflecting the seasonal impact where sales typically slow down, but outstanding receivables from prior sales remain.

The company expects trade receivables to be ₹389.50 lakh for FY 2024-25, given the continued shortage of working capital and ongoing adjustments in credit policies.

The projected increase to Rs. 1792.15 Lakhs and 10 days of period in FY2025-26 is part of a customer-friendly credit strategy aimed at:

- Enhancing Market Share – Competitive credit terms help attract and retain key buyers, including larger export customers.
- Facilitating Market Expansion – Extending modest credit periods supports entry into new markets and builds stronger customer relationships.
- Maintaining Financial Stability – Despite higher receivables, liquidity remains well-managed, ensuring a balance between growth and cash flow efficiency.

By offering controlled credit terms, the company strengthens customer loyalty, competitiveness, and business scalability, without jeopardizing financial health.

Inventories

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Inventory	1,570.88	2,494.56	2,364.94	3,302.98	4,888.61
In Days	25	23	56	30	40

The company’s inventory levels increased from ₹1,570.88 lakhs in FY 2022-23 to ₹2494.56 lakhs in FY 2023-24, primarily due to higher turnover and the strategic need to maintain sufficient raw material stocks. Cotton, being a seasonal commodity, requires bulk procurement during harvest periods to optimize costs and ensure uninterrupted supply. Looking ahead, based on projected business growth, the Average inventory holding period is expected to increase to 30 days in FY 2025-26 and 40 days in FY 2026-27. Despite this increase, Company remains committed to optimizing inventory management to support expansion while maintaining strong cash flow and operational efficiency.

Inventory Fluctuations Over the Years

➤ **FY 2022-23: Inventory marginally reduced to ₹1,570.98 lakh, likely due to:**

- Higher turnover reducing stock holding.
- Efficient inventory management.

➤ **FY 2023-24: Inventory increased to ₹2,494.56 lakh, driven by:**

- Seasonal raw material procurement for uninterrupted production.
- Market volatility impacting raw material availability and pricing.

➤ **Inventory Levels During Stub Period (As of 30/09/2024)**

- Inventory stood at ₹2,364.94 lakh, indicating stock buildup in the off-season to support upcoming production cycles.

Expected to increase to ₹3,302.98 and ₹4888.61 lakh for FY 2024-25 and FY 2025-26, as the company prepares for peak season operations.

This strategic approach ensures:

- **Cost Savings:** Bulk procurement during harvest seasons minimizes raw material costs.
- **Business Continuity:** Adequate inventory levels prevent supply chain disruptions and stock outs.
- **Market Responsiveness:** The Company remains well-positioned to meet both domestic and export demand without production delays.

By balancing inventory growth with financial prudence, The Company aim to sustain profitability while strengthening its competitive position in the industry.

Cash & Bank Balances

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Cash & Bank Balances	102.14	10.40	226.92	13.25	14.88
In Days	1	1	2	1	0

The company's Cash & Bank balances declined from ₹ 102.14 lakhs in FY 2022-23 to ₹ 10.40 lakhs in FY 2023-24, before increasing to ₹ 226.92 lakhs as of September 30, 2024. Looking ahead, cash balances are projected at ₹ 13.25 lakhs in FY 2024-25 and ₹ 14.88 lakhs in FY 2025-26. In terms of average cash holding days, the period remained at 1 day in FY 2023- 24, increased to 2 days as of September 30, 2024, and is projected to be 1 day in FY 2024-25 and 0 days in FY 2025-26.

Cash Flow Trend Over the Years

- FY 2021-22: ₹3.23 lakh – Cash levels were relatively low, reflecting normal operational cash flow.
- FY 2022-23: ₹102.14 lakh – A significant increase, likely due to higher procurement payments in response to market conditions.
- FY 2023-24: ₹10.40 lakh – Cash reserves reduced, possibly due to efficient working capital utilization and tighter cash management.

➤ **Stub Period (As of 30/09/2024) Cash balance surged to ₹226.92 lakh, primarily due to:**

Future Normalization of Cash Balances: Expected to normalize at ₹13.25 lakh in FY 2024-25 and ₹14.88 lakh in FY 2025-26, aligning with Stable business operations post-seasonal fluctuations.

The company follows a lean cash management strategy, ensuring funds are efficiently reinvested into core operations to drive business growth. This disciplined approach to capital allocation ensures liquidity is maintained while optimizing returns on investment, reinforcing financial efficiency and long-term sustainability.

Short-term Loans & Advances

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Short Term Loans & Advances	192.20	408.45	544.25	103.75	123.19
In Days	7	3	11	3	1

The company's Short-Term Loans & Advances increased from ₹ 192.20 lakhs in FY 2022-23 to ₹ 408.45 lakhs in FY 2023-24, further rising to ₹ 544.25 lakhs as of September 30, 2024. However, they are projected to decline to ₹ 103.75 lakhs in FY 2024-25 and ₹ 123.19 lakhs in FY 2025-26, reflecting a strategic effort to optimize working capital utilization. The average holding period decreased from 7 days in FY 2022-23 to 3 days in FY 2023-24, temporarily increased to 11 days as of September 30, 2024, and is projected to reduce again to 3 days in FY 2024-25 and 1 day in FY 2025-26.

The fluctuations over the years are influenced by seasonal procurement cycles, working capital management, and regulatory payments.

➤ FY 2022-23: ₹192.20 lakhs

- Better supplier credit terms reduced upfront payments.
- Efficient working capital management resulted in lower advance requirements.

➤ FY 2023-24: ₹408.45 lakh (Increase in Advances)

- Higher tax and duty payments, leading to increased balances with government authorities.

➤ Stub Period (As of 30/09/2024): ₹544.25 lakh (Further Increase)

- Seasonal procurement cycle (April–September being the off-season) led to advance payments for upcoming peak season.
- Higher supplier advances to secure raw materials in anticipation of demand fluctuations.

Projected Reduction in FY 2024-25 & FY 2025-26: Expected to decline to ₹103.75 lakh (FY 2025) and ₹123.19 lakh (FY 2026) due to:

- Improved supplier credit arrangements, reducing upfront cash outflows.
- Stabilization of business operations, allowing for optimal fund allocation.

Other Current Assets

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Other Current Assets	12.53	7.68	14.20	80.92	300.00
In Days	0	0	0	0	2

The company's Other Current Assets decreased from ₹12.53 lakhs in FY 2022-23 to ₹7.68 lakhs in FY 2023-24, before rising to ₹14.20 lakhs as of September 30, 2024. They are projected to increase further to ₹ 80.92 lakhs in FY 2024-25 and ₹300 lakhs in FY 2025-26, primarily due to higher unutilized GST credit arising from increased inventory levels. The average holding period remained at zero days from FY 2022-23 to FY 2023-24 and is projected to be 2 days in FY 2025-26. Expected to increase significantly to ₹80.92 lakh (FY 2025) and ₹300 lakh (FY 2026) due to Higher advance tax payments in line with increasing profitability.

Trade Payable

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Trade payable	231.58	1465.89	1352.08	279.97	1025.49
In Days	2	9	33	9	6

The company's Trade Payables increased significantly from ₹231.58 lakhs in FY 2022-23 to ₹1,465.89 lakhs in FY 2023-24, reflecting higher procurement in line with business expansion and inventory buildup. As of September 30, 2024, trade payables have slightly decreased to ₹1,352.08 lakhs, indicating a stabilization of supplier payment cycles. Going forward, they are projected to moderate at ₹279.97 lakhs in FY 2024-25 and ₹1,025.49 lakhs in FY 2025-26, aligning with the company's optimized procurement and payment strategy. The average trade payable days increased from 2 days in FY 2022-23 to 9 days in FY 2023-24, further rising to 33 days as of September 30, 2024, before normalizing to 9 days in FY 2024-25 and 6 days in FY 2025-26. The temporary increase in payable days reflects the company's ability to leverage supplier credit efficiently, supporting working capital optimization.

The fluctuations in trade payables over the years are influenced by purchasing patterns, supplier credit terms, and capital expenditure cycles.

➤ FY 2022-23: ₹231.58 lakh

Increase in trade payables due to: Higher procurement at Extended credit terms from suppliers to support working capital.

➤ FY 2023-24: ₹1,465.89 lakh

Substantial increase due to: Higher procurement at Extended credit terms from suppliers to support working capital and Capital expenditure (₹536 lakh) for asset purchases, increasing overall payables.

➤ Stub Period (As of 30/09/2024): ₹1,352.08 lakh

- Total payables remain high, but capital goods creditors decline due to payment settlements.
- Increased supplier credit utilization for raw material procurement in the off-season.

➤ Projected Trade Payables for FY 2024-25 & FY 2025-26

- Reduced capital expenditure, leading to a lower capital creditor balance and due to Lower reliance on supplier credit.
- Business expansion and higher raw material procurement to support business requirement.

As trade payables stabilize, the company remains committed to balancing supplier relationships while maintaining liquidity and operational efficiency. The projected trend underscores a strategic approach to cash flow management, ensuring timely supplier payments without straining financial flexibility.

Other Current Liabilities

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Other Current Liabilities	88.95	197.50	368.05	100.00	102.49
In Days	3	1	6	2	1

Other Current Liabilities for Vivekanand Cotspin Limited primarily consist of:

1. Statutory Dues – Includes GST, TDS, PF, ESI, and other government liabilities.
2. Advances from Customers – Advance payments received for future deliveries.
3. Payables to Employees – Includes outstanding salaries, bonuses, and incentives.

The company's Other Current Liabilities increased from ₹88.95 lakhs in FY 2022-23 to ₹197.50 lakhs in FY 2023-24, and further rose to ₹368.05 lakhs as of September 30, 2024. Going forward, they are projected to reduce to ₹100.01 lakhs in FY 2024-25 and ₹102.49 lakhs in FY 2025-26. The average holding period of Other Current Liabilities decreased from 3 days in FY 2022-23 to 1 day in FY 2023-24, and further rose to 6 days as of September 30, 2024. It is projected to decrease again to 2 days in FY 2024-25 and stabilize at 1 day in FY 2025-26. This reduction in the holding period reflects the company's strategic focus on minimizing short-term liabilities and enhancing working capital management. The company is prioritizing efficient cash flow management, which improves financial flexibility and supports long-term growth objectives. Maintaining a holding period of 1 day in FY 2025-26, consistent with the previous years, ensures the company can manage working capital effectively, reducing reliance on short-term liabilities and fostering operational efficiency.

Short Term Provisions

Particular	Restated	Restated	Restated	Projection	Projection
	31/03/2023	31/03/2024	30/09/2024	31/03/2025	31/03/2026
Short Term Provisions	73.86	120.56	77.82	83.75	103.19
In Days	1	1	2	1	1

Short-Term Provisions at Vivekanand Cotspin Limited primarily consist of:

1. **Provision for Employee Benefits** – Includes gratuity, bonuses, and other liabilities.
2. **Provision for Income Tax** – Based on estimated tax liability for the financial year.
3. **Provision for Expenses** – Includes accruals for operational and administrative expenses.

The company's Short-Term Provisions increased from ₹73.86 lakhs in FY 2022-23 to ₹120.56 lakhs in FY 2023-24, before decreasing to ₹77.82 lakhs as of September 30, 2024. Looking ahead, they are projected to further stabilize at ₹83.75 lakhs in FY 2024-25 and ₹103.19 lakhs in FY 2025-26. The average holding period of Short-Term Provisions remained at 1 days in FY 2022-23 and FY 2023-24, and 2 days as of September 30, 2024. It is projected to reduce to 1 day in FY 2024-25 and stabilize at 1 days in FY 2025-26. This reduction reflects the company's efficient management of tax and regulatory provisions, ensuring minimal idle time for short-term provisions. As the company continues to streamline financial processes, the holding period is expected to remain at 1 day in FY 2025-26, consistent with the past two years. This approach enhances liquidity management and supports operational efficiency, ensuring that provisions are optimized without impacting the company's cash flow.

3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue.

4. Public Issue Expenses: -

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●]% of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Book Running Lead Manager Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Issue Price.

Notes:

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
2. Portion for RIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST) Portion for NIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)
3. ^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).
4. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
5. Registered Brokers, will be entitled to a commission of ₹10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
6. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs
7. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
8. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹50,000/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ 50,000/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors M/s. **Mistry & Shah LLP** Chartered Accountants vide their certificate dated January 21, 2025 vide UDIN 25117101BMLWNQ5358 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)
Issue Expenses	1.46

Sources of Financing for the Funds Deployed:

Our Statutory Auditors M/s. **Mistry & Shah LLP**, Chartered Accountants vide their certificate dated January 21, 2025 vide UDIN 25117101BMLWNQ5358 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)
Internal Accruals & Unsecured Loans	1.46

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

The Audit Committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would 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

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS OF ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Business Overview” and its financial statements under the section titled “Financial Information of our Company” beginning on page 25, 130 and 188 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the BRLM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is [●] which is [●] times of the face value.

QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Business Overview” beginning on page 130 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as restated:

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

Diluted earnings per share (₹) = $\frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$

S. No	Period	Basic & Diluted (₹)	Weights
1.	Financial Year ended March 31, 2024	2.39	3
2.	Financial Year ended March 31, 2023	(0.38)	2
3.	Financial Year ended March 31, 2022	(0.46)	1
	Weighted Average	0.99	
	For the period ended 30 th September 2024	0.26	
	For the period ended 04 th August 2024	0.69	

Notes:

- i Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year /Total of weights.
- ii Basic and diluted EPS are based on the Restated Standalone Financial Information.
- iii The face value of each Equity Share is ₹10.

2. Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share:

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

S. No	Particulars	EPS (in ₹)	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	2.39	[●]
2	P/E ratio based on the Weighted Average EPS	0.99	[●]

Industry PE

Particulars	P/E
Highest	122.87
Lowest	22.00
Average	72.44

3. Return on Net worth (RoNW)

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

S. No	Period	RONW (%)	Weights
1.	Financial Year ended March 31, 2024	16.12	3
2.	Financial Year ended March 31, 2023	(1.79)	2
3.	Financial Year ended March 31, 2022	(2.19)	1
4.	Weighted Average	7.10	
5.	For the period ended 30 th September 2024	2.52	
6.	For the period ended 04 th August 2024	4.10	

Notes:

- Weighted Average = Aggregate of year-wise weighted RONW divided by the aggregate of weights i.e. sum of (RONW x Weight) for each year / Total of weights;
- The figures disclosed above are based on the Restated Standalone Financial Statements of our Company.
- Net-worth, as restated at the end of the relevant financial year (Equity attributable to the owners of the company).

4. Net Asset Value (NAV) per Equity Share:

$$\text{Restated Net Asset Value per equity share (\text{₹})} = \frac{\text{Restated Standalone Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Sr. No.	As at	NAV
1.	Financial Year ended March 31, 2024	14.85
2.	Financial Year ended March 31, 2023	21.37
3.	Financial Year ended March 31, 2022	21.22
4.	NAV per Equity Share after the Issue	[●]
5.	Issue Price per Equity Share	[●]
6.	For the period ended 30th September 2024	10.26
7.	For the period ended 04th August 2024	16.85

5. Comparison of Accounting Ratios with Industry Peers

Sr. No.	Name of Company	Result Type	Face Value (₹)	EPS(₹)	PE	RoNW(%)	NAV per Share (₹)
1.	Vivekanand Cotspin Limited	Standalone	10	2.39	[●]	16.12	14.85
2.	Deepak Spinners Ltd	Standalone	10	1.81	122.87	0.55	327.49
3.	Pashupati Cotspin Ltd	Standalone	10	5.43	22.00	7.00	77.57

1 Based on March 31, 2024 restated financial statements

2 Source: Based on Financial Results of Peer Group Companies

3 Basic & Diluted Earnings per share (EPS) and Net Assets Value per share is calculated on weighted average number of shares after considering Bonus Issue of Shares.

4 Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share.

- The face value of our shares is ₹10.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
- The Issue Price has been determined by our Company in consultation with the Book Running Lead Manager and justified by our Company in consultation with the Book Running Lead Manager on the basis of above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

8. Key performance indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved, by a resolution of our Audit Committee dated January 23, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no

KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Mistry & Shah LLP, by their certificate dated February 07, 2025 having UDIN – 25117101BMLWOF7492.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company.

(Rs in lakhs)

Key Financial Performance	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations ⁽¹⁾	1,813.17	7,553.83	35,745.91	30,178.47	18,286.34
EBITDA ⁽²⁾	199.63	529.63	1,481.64	950.21	869.63
EBITDA Margin (%) ⁽³⁾	11.01%	7.01%	4.14%	3.15%	4.76%
PAT	38.79	103.49	359.04	-57.35	-69.62
PAT Margin (%) ⁽⁴⁾	2.14%	1.37%	1.00%	-0.19%	-0.38%
Operational KPIs					
Export Revenue (Amount in ₹)	-	132.45	3191.14	974.83	-
Domestic Revenue (Amount in ₹)	1,813.17	7,421.38	32,554.77	29,203.64	18,286.34
Export % of Revenue	-	1.75%	8.93%	3.23%	-
Domestic % of Revenue	100.00%	98.25%	91.07%	96.77%	100.00%

Notes:

- (1) Revenue from operation means revenue from sales.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
- (3) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations

Explanation for KPI metrics

KPI	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operational KPIs	
Export Revenue (Amount in ₹) and Export % of Revenue	This metric enables us to track the progress of our revenues in the export markets
Domestic Revenue (Amount in ₹) and Domestic % of Revenue	This metric enables us to track the progress of our revenues in the domestic markets

Operational KPI's of the Company:

Key Financial Performance	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue split between domestic and exports					
Domestic Market (in Lakhs)	1,813.17	7,421.38	32,554.77	29,203.64	18,286.34
Export Market (in Lakhs)	-	132.45	3191.14	974.83	-
Domestic Market (%)	100	98.25	91.07	96.77	100
Export Market (%)	-	1.75	8.93	3.23	-
Contribution to revenue from operations of top 1 / 3 / 5/ 10 customers (Amount in Lakhs)					
Top 1	524.57	3564.34	13743.42	14878.45	10834.29
Top 3	1121.82	5756.40	26054.82	20018.99	13015.94
Top 5	1393.45	6272.92	27914.40	22907.65	14051.93
Top 10	1614.98	6883.36	31400.00	26297.63	15627.92

Our company has been unable to obtain the necessary information on peer companies for operational KPI comparison, as this data is internal and not publicly available. Consequently, no comparison of operational KPIs is available.

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

We have listed peer Company such as Deepak Spinners Ltd and Pashupati Cotspin Ltd, listed on the Indian Stock Exchanges, of which comparison of Key Performance Indicators as below:

(Amount in Lakhs)

Particulars	Vivekanand Cotspin Limited			Deepak Spinners Ltd			Pashupati Cotspin Ltd		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations ⁽¹⁾	35,745.91	30,178.47	18,286.34	47,097.77	56,136.35	53,153.72	65,837.68	44,273.28	66,138.19
EBITDA ⁽²⁾	1,481.64	950.21	869.63	1,986.77	7,033.64	6,941.5	3,028.84	1,709.08	3,882.54
EBITDA Margin (%) ⁽³⁾	4.14%	3.15%	4.76%	4.22%	12.53%	13.06%	4.60%	3.86%	5.87%
PAT	359.04	(57.35)	(69.62)	130.34	4,008.70	3,928.51	830.39	410.77	1,112.55
PAT Margin (%) ⁽⁴⁾	1.00%	(0.19) %	(0.38) %	0.28%	7.14%	7.39%	1.26%	0.93%	1.68%

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
- (4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

Weighted average cost of acquisition

a. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities):

There had been issuance of Equity Shares during the 18 months preceding the date of this Draft Red Herring Prospectus (Except Bonus Issue of Shares), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days. The details are as follows:

S. No.	Date of Allotment	Names of Person	Number of Shares Allotted	Price	Amount (in Rs.)
1.	August 05, 2024	Mr. Nirav Bharatbhai Patel	30,00,000	10.00	3,00,00,000
2.	August 05, 2024	Mr. Jasmin Vishnubhai Patel	30,00,000	10.00	3,00,00,000
3.	August 05, 2024	Mr. Bharatbhai Prahaladbhai Patel	30,00,000	10.00	3,00,00,000
4.	August 05, 2024	Mr. Vishnubhai Prahaladdas Patel	30,00,000	10.00	3,00,00,000
5.	August 05, 2024	Mr. Gautam Bharatkumar Patel	30,00,000	10.00	3,00,00,000
Total			1,50,00,000		15,00,00,000
Weighted Average Cost (in ₹)					10.00

b. The price per share of our Company based on the secondary sale / acquisition of shares (equity shares):

The details of secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days is not applicable.

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee	Price	Amount (in Rs.)
1.	September 30, 2024	Vishnubhai Prahladdas Patel	100	Preet Vishnubhai Patel	10.95	1095
2.	September 30, 2024	Bharatbhai Prahaladbhai Patel	100	Ranjanben Bharatbhai Patel	10.95	1095
3.	February 06, 2025	Bharatbhai Prahaladbhai Patel	100	B P Patel Family Trust	0.00	0.00
4.	February 06, 2025	Vishnubhai Prahladdas Patel	100	V P Patel Family Trust	0.00	0.00
Total			400			2190
Weighted Average Cost (in ₹)						5.48

c. Since there are transactions to report to under (a) and (b) therefore, information based on last 5 secondary transactions (primary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is not applicable.

d. Weighted average cost of acquisition on issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ [•]/-)	Cap price (i.e. ₹ [•] /-)
Weighted average cost of acquisition of primary / new issue as per paragraph a above.	10.00	[•]	[•]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph	5.48	[•]	[•]

b above.			
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above: -Primary Transaction -Secondary Transaction	--	--	--

Investors should read the above-mentioned information along with section titled “Business Overview”, “Risk Factors” and “Financial Information of our Company” beginning on page 130 , 25 and 188 respectively including important profitability and return ratios, as set out in chapter titled “Other Financial Information” on page 189 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors,
Vivekanand Cotspin Limited**
S/No 181/1, 182/1, At Rangpurda, Kadi,
Mahesana- 382715, Gujarat, India

Dear Sir,

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

Reference – Proposed Initial Public Offer of 55,00,000 Equity Shares of Face Value of Rs. 10 Each (“Equity Shares”) of Vivekanand Cotspin Limited (“Issuer”)

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by **Vivekanand Cotspin Limited** (‘the Company’), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2024, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the” Tax Laws”). Several of these benefits 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 and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are 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 proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. 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.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M/S. Mistry & Shah LLP
Chartered Accountants
Firm Registration No. W100683**

SD/-

**CA Malav Shah
Partner
Membership No.: 117101
UDIN – 25117101BMLWND8624**

**Place: Ahmedabad
Date: January 21, 2025**

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

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

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

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

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

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus.

SECTION VIII – ABOUT THE COMPANY

INDUSTRY OVERVIEW

GLOBAL OUTLOOK

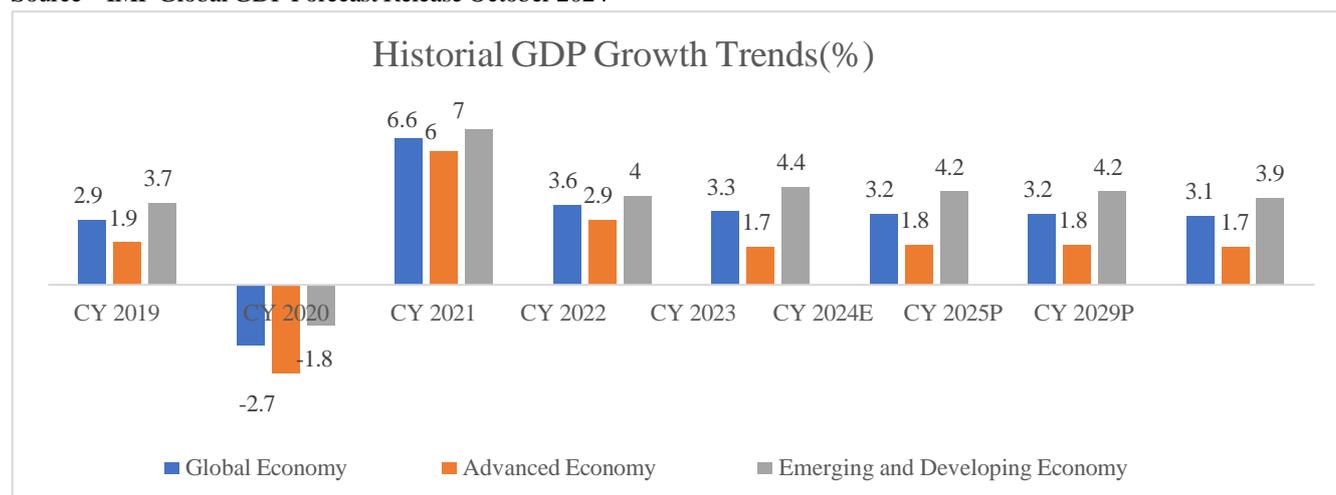
The global economy started to rise from its lowest levels after countries started to lift the lockdown in 2020 and 2021. The lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched (3.3%).

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as emerging developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, which forced most of the central banks to tighten their fiscal policies. Russia’s invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged its pre- pandemic trajectory, particularly in emerging markets and developing economies, leading to widening disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather conditions. As a result, global growth is expected to slow from 3.3% in CY 2023 to 3.2% in CY 2024.

Source – IMF Global GDP Forecast Release October 2024

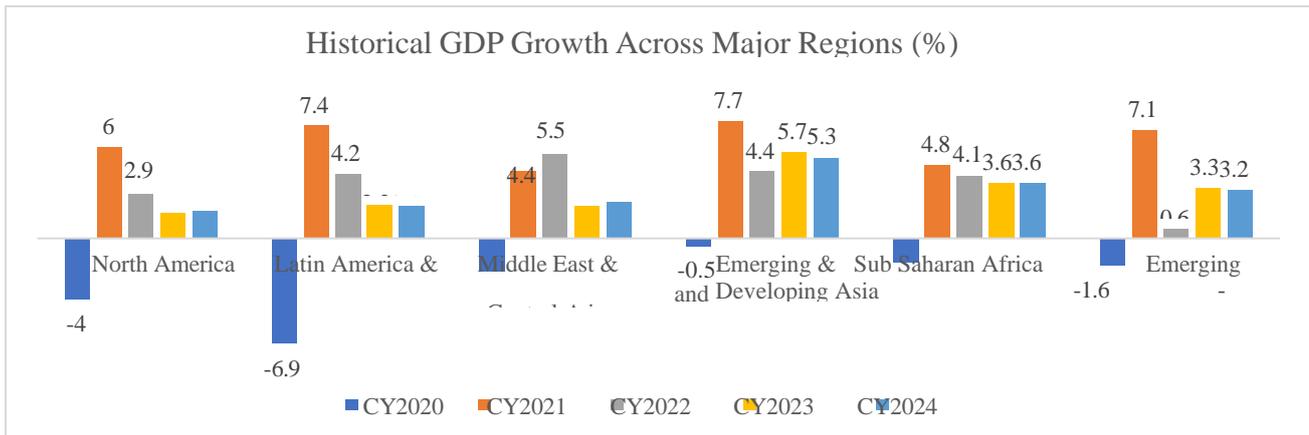


Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

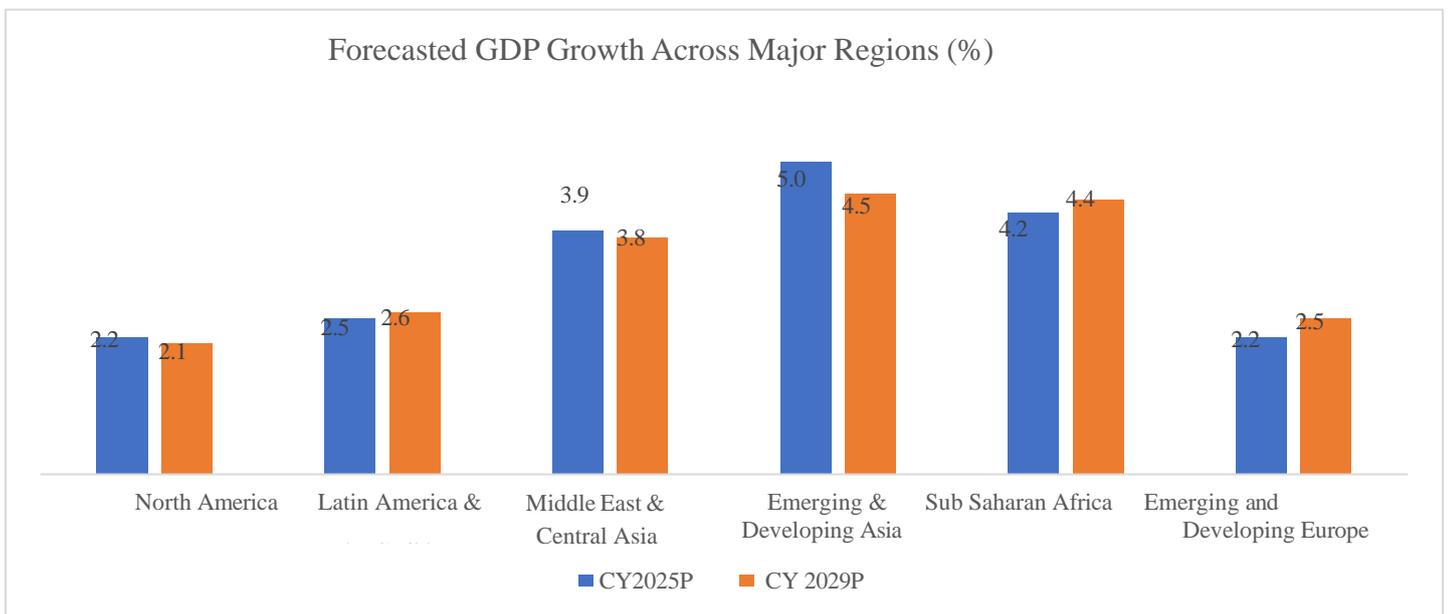
While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption. Slow growth in developed economies will affect the GDP growth in CY 2024.

GDP Growth Across Major Regions

GDP growth of major regions including Latin America & The Caribbean, Middle East & Central Asia, and Sub- Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease from 5.3% in CY 2024 to 5.0% in CY 2025, while in the United State, it is expected to decrease from 2.8% in CY 2024 to 2.2% in CY 2025.



MF World Economic Outlook October 2024 update.



Source-IMF, OECD, and World Bank, D&B Estimates

Except for Emerging and Developing Asia, Latin America & The Caribbean and North America, all other regions are expected to record an increase in GDP growth rate in CY 2024 as compared to CY 2023. GDP growth in Latin America & The Caribbean is expected to decline due to negative growth in Argentina. Further, growth in the United States is expected to come down at 2.2% in CY 2025 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.

Global Economic Outlook

After winning the U.S. Presidential election in November, President-elect Donald Trump has announced the possibility of imposing a 25% import tariff on goods from Canada and Mexico, as well as an additional import tariffs on goods from the Chinese Mainland. The economic impact will depend on the nature of the tariffs, the extent to which they are applied, their duration, and whether they are reciprocated with retaliatory actions. Similarly, the scale of deportations alongside enhanced border restrictions – another potential policy priority – may see U.S. net migration fall and lead to lower overseas labor supply. President-elect Trump has also spoken of extending tax cuts and general deregulation. We will understand more when the new administration takes office on January 20, 2025, but in the meantime, the uncertainty is likely to affect business decisions. The market expects the impact of the incoming administration’s new policies to be inflationary and has pared back expectations

about the pace of Federal Funds rate cuts next year, with 75% of investors expecting U.S. interest rates to end 2025 in the range of 3.50% to 4.25%.

Given expectations of a generally higher inflationary environment in the U.S. in 2025, those emerging economies closely connected to movements in the Fed Funds rate, such as Mexico (the Bank of Mexico closely follows the U.S. Federal Reserve), Hong Kong S.A.R. (which operates a U.S. dollar peg for its currency), and those countries in parts of Latin America and Eastern Europe which are likely to find accessing international capital markets more difficult, are also likely to experience stress.

Europe-U.S. trade relations may also come under pressure, given the region’s trade surplus with the U.S., at a time when the Eurozone’s growth trajectory is already potentially weakening. Europe would likely be subject to blanket tariffs ranging from 10% to 20% on all imports. The U.S. is the EU’s top export partner, accounting for around 20% of the EU’s total exports outside of the union, and so further reciprocal tariffs on U.S. exports may be limited.

Aside from potential inflationary effects from upcoming U.S. policies, global underlying inflation continues to normalize, supporting monetary policy loosening. Progress towards central bank targets may, however, be slowing and in some regions, such as the Eurozone and the U.S., may be ticking up in recent readings, but the broad trend is of softer price pressures. We may find that the European Central Bank and the Bank of England make more progress than the Federal Reserve in cutting interest rates. The Chinese Mainland, meanwhile, continues to battle deflation.

Falling interest rates in major economies will ease pressure on emerging economies: local currencies should appreciate against the U.S. dollar, which would lessen imported inflation and allow central banks in emerging economies to focus on underlying domestic price pressures. Growth in India and in parts of Latin America, Eastern Europe, and the Middle East will likely offset the underlying slowdown in the Chinese Mainland. Brazil’s central bank has been raising interest rates in recent months to combat rising inflation, indicating that central banks may be willing to reverse course if required. One of the key short-term risks is the path of global disinflation – and the corresponding pace of monetary policy easing. With inflation edging up in some economies and expectations that it may re-accelerate in 2025, central banks are likely to continue to act cautiously.

Geopolitical risks in the Middle East continue to be a systemic regional risk, though the recent ceasefire between Israel and Hezbollah offers optimism, despite being endangered by transgressions. Political/insecurity risk has been, and continues to be, a key risk category this year. Latest incidents include the imposition and then almost immediate repeal of martial law in South Korea; the collapse of the French government following a vote of no confidence; and Germany’s governing coalition finally breaking apart after months of disagreements. Germany is at a critical juncture, confronting a confluence of escalating geopolitical, economic, and domestic challenges that threaten its stability and leadership of Europe. The risk is acute – Germany faces losing its position as Europe’s economic powerhouse, threatening dependent neighbors, and potentially undermining its wider geopolitical influence.

India Macroeconomic Analysis.

India’s economy showed resilience with GDP growing at 8.2% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (CY 2023)	Projected GDP Growth (CY 2024)	Projected GDP Growth (CY 2025)
India	8.20%	7.00%	6.50%
China	5.20%	4.80%	4.50%
Russia	3.60%	3.20%	1.50%
Brazil	2.90%	3.00%	2.40%
United States	2.90%	2.80%	1.90%
Japan	1.90%	0.30%	1.00%
Canada	1.20%	1.30%	2.40%
Italy	0.90%	0.70%	0.90%
France	1.10%	0.90%	1.30%
South Africa	0.70%	0.90%	1.20%
United Kingdom	0.10%	0.70%	1.50%
Germany	-0.30%	0.00%	0.80%

Source: World Economic Outlook, October 2024

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South) Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India’s economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

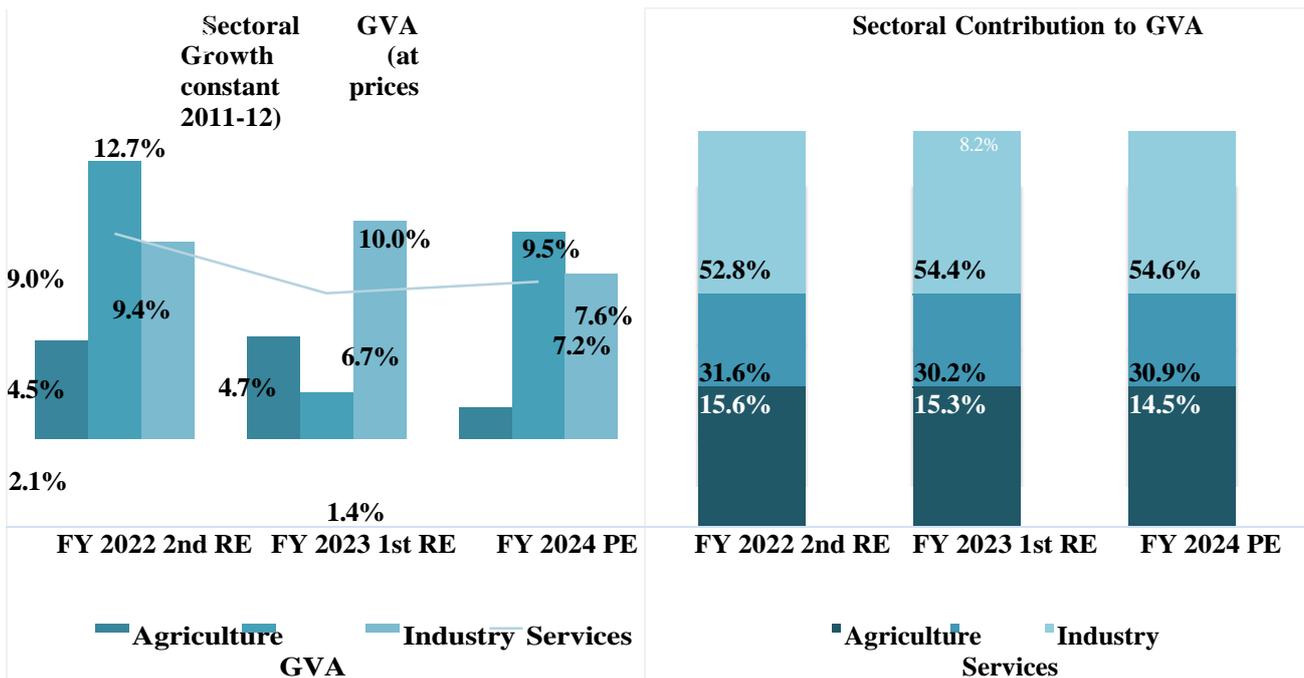
On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from the corporate sector to fund the next round of expansion plans. The banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to the micro, small, and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the fiscal year 2024 grew by 14% to INR 10.31 trillion compared to INR 9.02 trillion as on 24 March 2023. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

Historical analysis of economic growth: annual GDP growth pattern

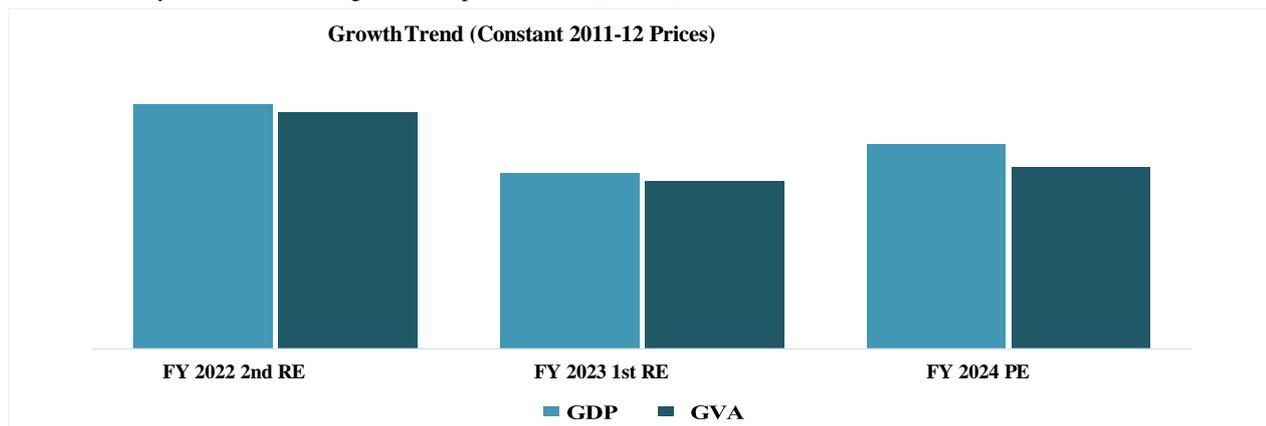
As per the provisional estimates 2023-24, India’s GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.

Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

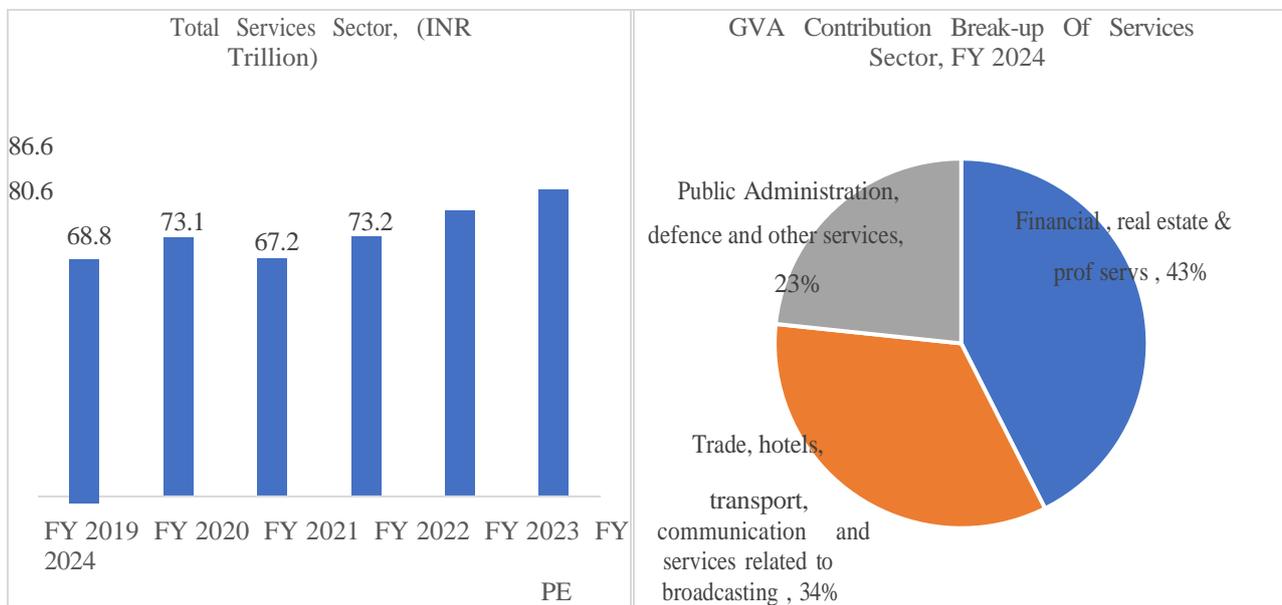


Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.6% against 10% y-o-y growth in the previous year.

Expansion in Service Sector

Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services¹ observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.



Sources: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates

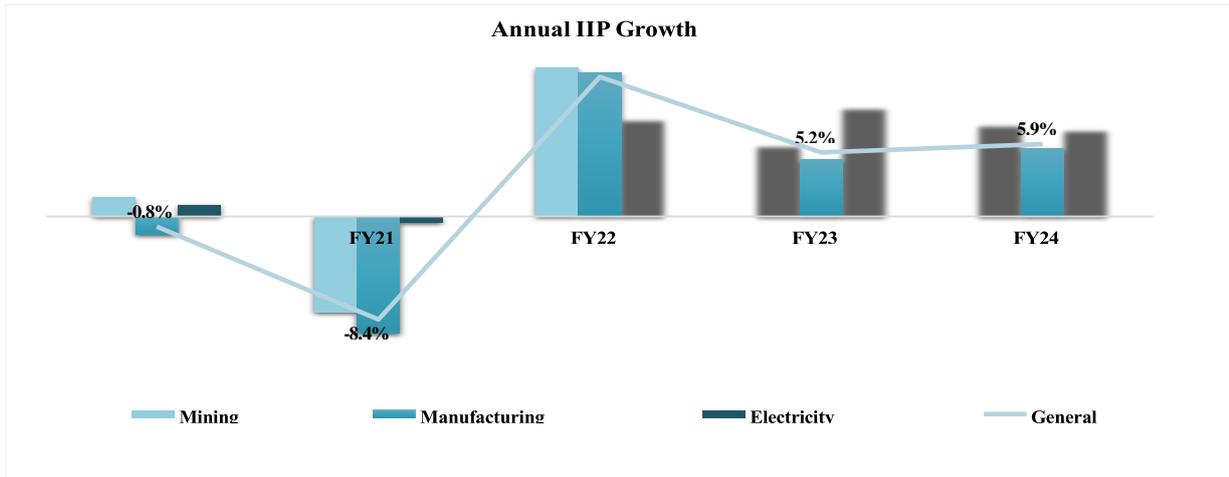
India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, measured 60.3 in July 2024 against 60.5 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

¹ Other services include Education, Health, Recreation, and other personal services.

² Projection as Based on CMIE Growth rate till FY 2029 and FY 2030 is based on Dun & Bradstreet assumption.

IIP Growth

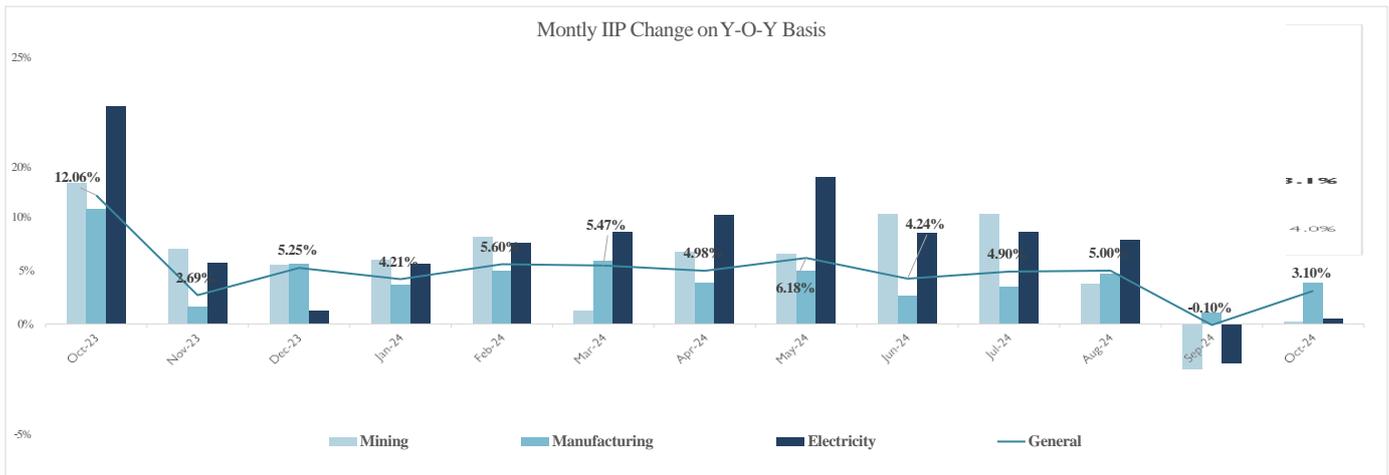
Industrial sector performance as measured by IIP index; in FY 2024 it is growing at 5.9% (against 5.2% in FY 2023). Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% y-o-y growth in FY 2023 while mining sector index too grew by 7.5% in FY 2024 against 5.8% in the previous years. Mining & manufacturing both shown improvement according to previous except the Electricity sector Index, witnessed an improvement of 7.1% in FY 2024 against 8.9% in the previous year.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

As per the use-based classification, most segments have shown growth for FY 2024 compared to FY 2023. Capital good and primary goods were segments which faced less growth as compared to previous year. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance. In contrast all the segments except the above two have shown growth.

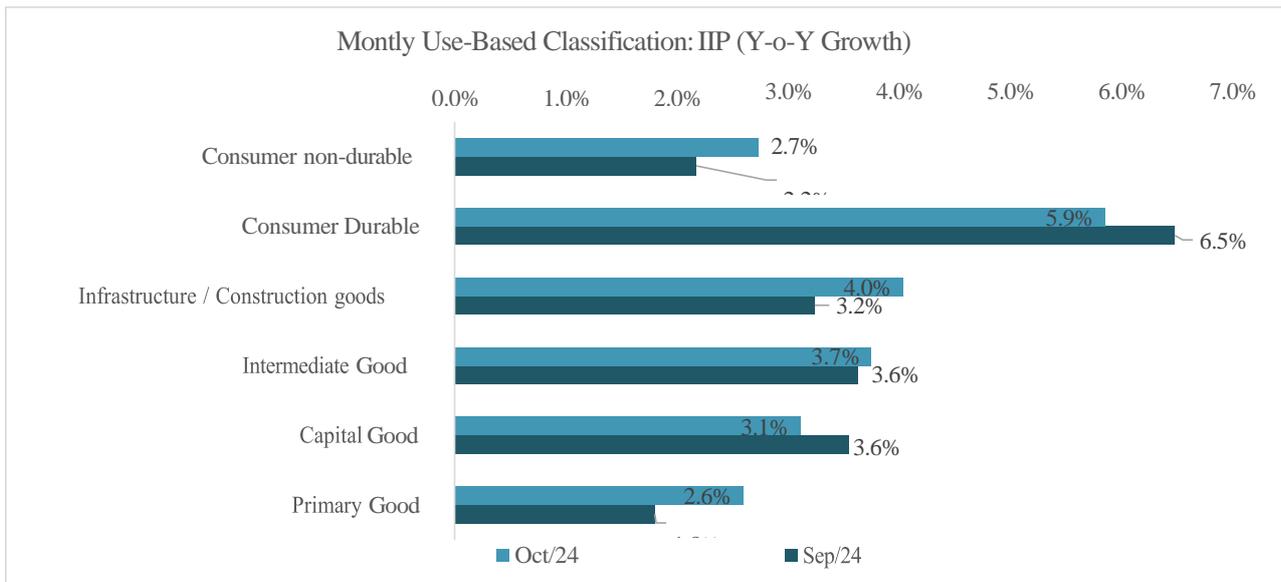
Monthly IIP Growth Trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal. However, the IIP index slowed to a 5-month low and just grew by -0.10% y-o-y in September against .00% in the previous month on the back of slowing growth in the manufacturing section. In October 2024, the manufacturing index growth slowed to 3.90% against 11.0% y-o-y growth in October 2023.

In FY 2024-25, the 3.90% for manufacturing index in October 2024 and electricity index in October 2024 is 0.50%.

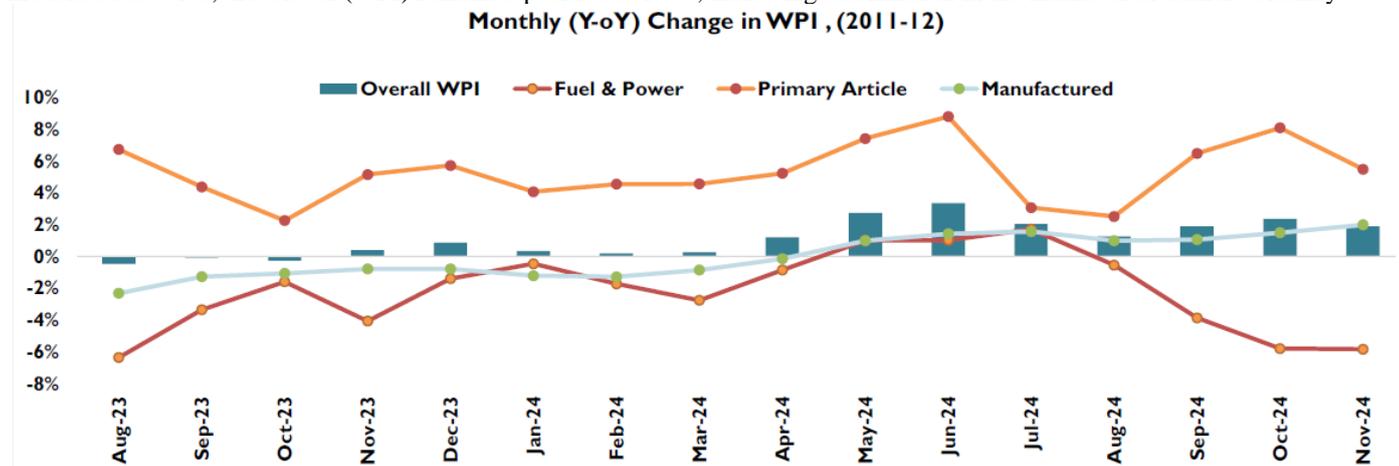


Sources: MOSPI

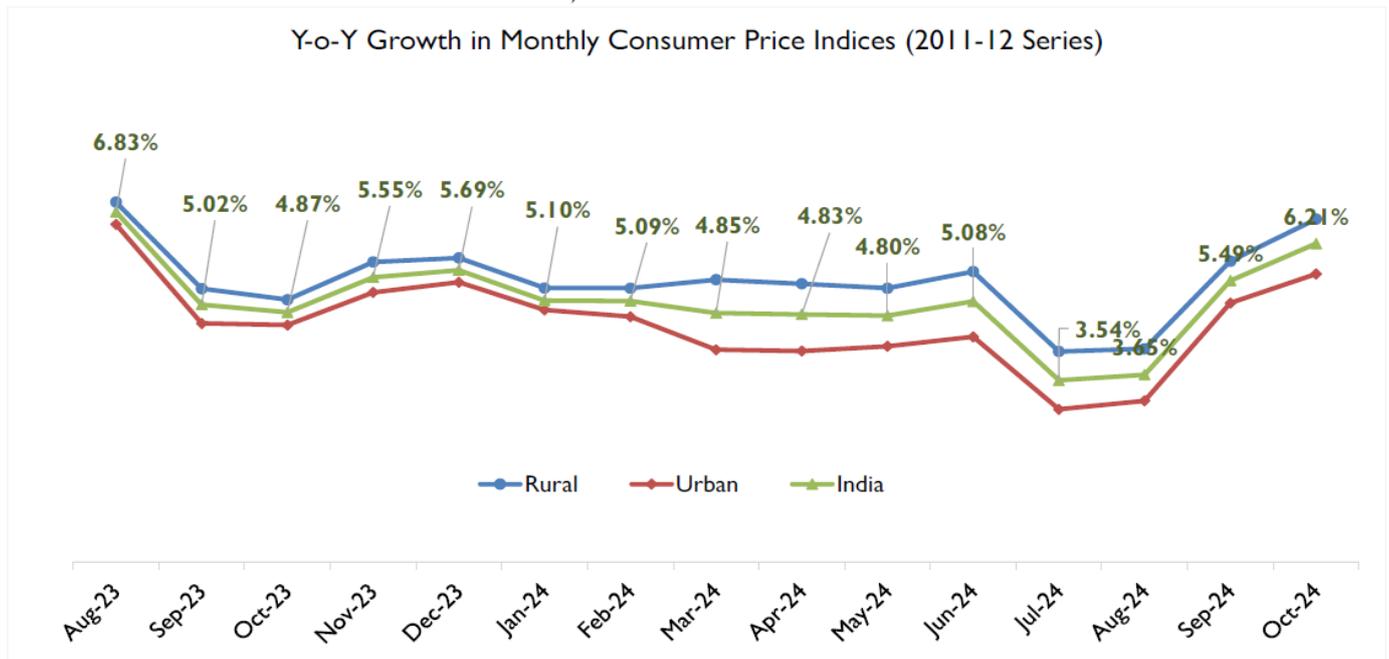
As per the use-based classification, growth in all segments slowed in June 2024 as compared to the previous month. Consumer non-durable increase by 2.7% in October 2024 against a 2.2% decline in the previous month. In October 2024, all segments showed a substantial increase in growth.

Inflation Scenario

The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to November 2024. However, a recovery was noted by November 2024, with WPI reaching 5.5%, supported by a strong rise in Primary Articles and -5.9% a rebound in Fuel & Power prices. By July 2024, while Primary Articles growth moderated to 3.1%, the Global (WPI) remained positive at 1.9%, indicating stabilization in the market after earlier volatility.



Source: MOSPI, Office of Economic Advisor



Source: CMIE Economic Outlook

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and October 2024. Rural CPI inflation peaked at 7.02% in August 2023, declining to 6.68 % in October 2024. Urban CPI inflation followed a similar trend, rising to 6.59% in August 2023 and then dropping to 5.62% in October 2024. Overall, the national CPI inflation rate increased to 6.83% in August 2023 but moderated to 6.21% by October 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. CPI measured below 6% tolerance limit of the central bank since September 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to the current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

Some of the key factors that would propel India’s economic growth in the coming years.

Government focus on infrastructure development

Infrastructure development has remained recurring theme in India’s economic development. As India aims to grow to a USD 5 trillion economy by 2027, Construction sector that include Infrastructure construction will be critical for boosting economic growth as it is the key growth enabler for several other sector. Infrastructure development provides impetus to other sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles, financial services among others. A unit increase in expenditure in construction sector has a multiplier effect on other sectors with a capacity to generate income as high as five times in other sectors. The sector enjoys intense focus from the Government which is well reflection in higher budgetary allocations. To push the infrastructure development, government has also announced higher budgetary allocation, various arrangement for raising funds through road asset monetization plan and converting of NHAI’s existing InvIT into a public one is also planned. With economic targeting to reach USD 5 trillion economy by 2027, demand for various infrastructure facilities such as power, cargo movement, passenger movement is likely to grow which necessitate steady capacity addition in infrastructure facilities. Speedy progress and time-bound completion of infrastructure project would key factor to watch that will determine the sector performance.

The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti plan have provided the coordination & collaboration that was lacking earlier. Both NIP and PM Gati Shakti are ambitious billion- dollar plans that aim to transform India’s infrastructure, elevating it to the next level. These projects are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP. In its Union Budget 2024-25, the Government has increased the capital expenditure by 16.8% to nearly INR 11.1 trillion– which indicates the strong Government focus on improving the overall infrastructure landscape in India.

Development of Domestic Manufacturing Capability

The Government launched Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large scale electronic manufacturing and gradually extended to other sectors. At present it covers

14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India. This incentive structure is aimed at attracting private investment into setting up manufacturing units and thereby beef up the domestic production capabilities. The overall incentives earmarked for PLI scheme is estimated to be INR 2 trillion. If fully realizing the PLI scheme would have the ability to add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

Strong Domestic Demand

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions are points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is perfectly captured by the private final consumption expenditure (PFCE) metric. PFCE as a percentage of GDP increased to 58% during FY 2022 and FY 2023 while in FY 2024 it settled at 56%.

There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power.

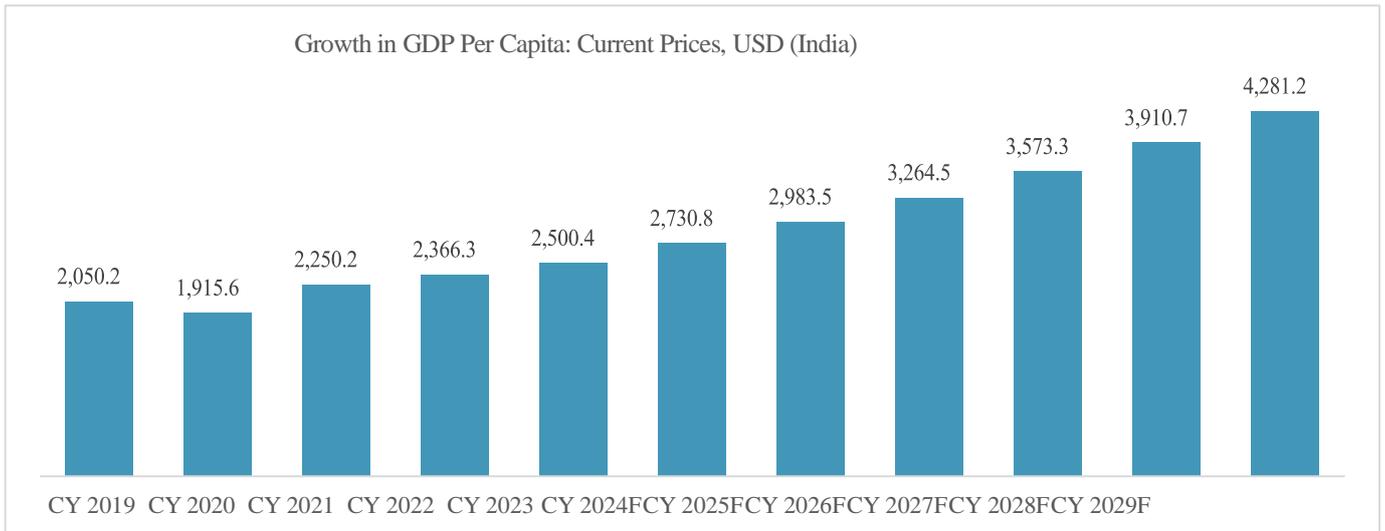
- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 2047 (Placeholder1)³. This expanding middle class household segment is fuelling India's growth story and would continue to play a key role in propelling India's economic growth.
- As per National Statistics Office (NSO) As per National Statistics Office (NSO), India's per capita net national income (at constant prices) stood at INR 106,744 in FY 2024 against INR 99,404 in FY 2023 and INR 87,586 in FY 2018. . This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fuelled by this growth in per capita income.

India's Per capita GDP trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

³ As per the survey conducted by People Research on India's Consumer Economy. Households with annual income in the range of INR 5 – 30 lakh is considered as middle-class households.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.

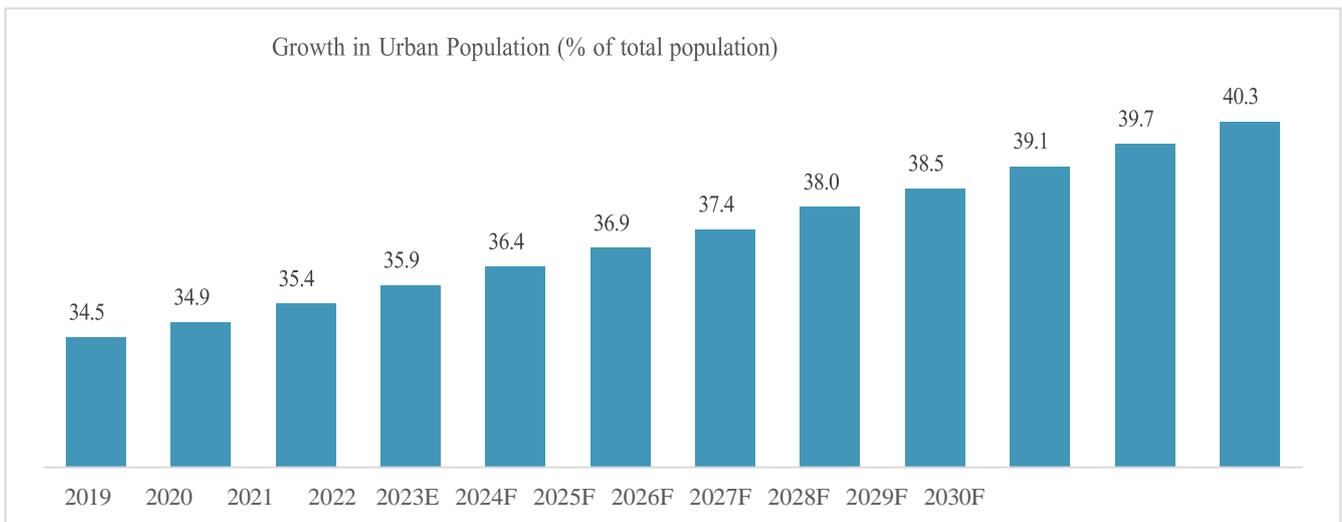


Source: IMF

From CY 2024-29, India’s per capita GDP is projected to grow at a compound annual growth rate of 9.4%. This growth will be driven by the service sector, which now accounts for over 50% of India’s GDP, marking a significant shift from agriculture to services.

Increasing Urbanization

dwellers accounting for over 469 million in 2021, is projected to soar to over 558 million by 2031 and further exceed to 600 million by 2036.



Source: World Bank,^{3F4} D&B Research and Estimates

⁴<https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?end=2022&locations=IN&skipRedirection=true&start=1960&view=chart>

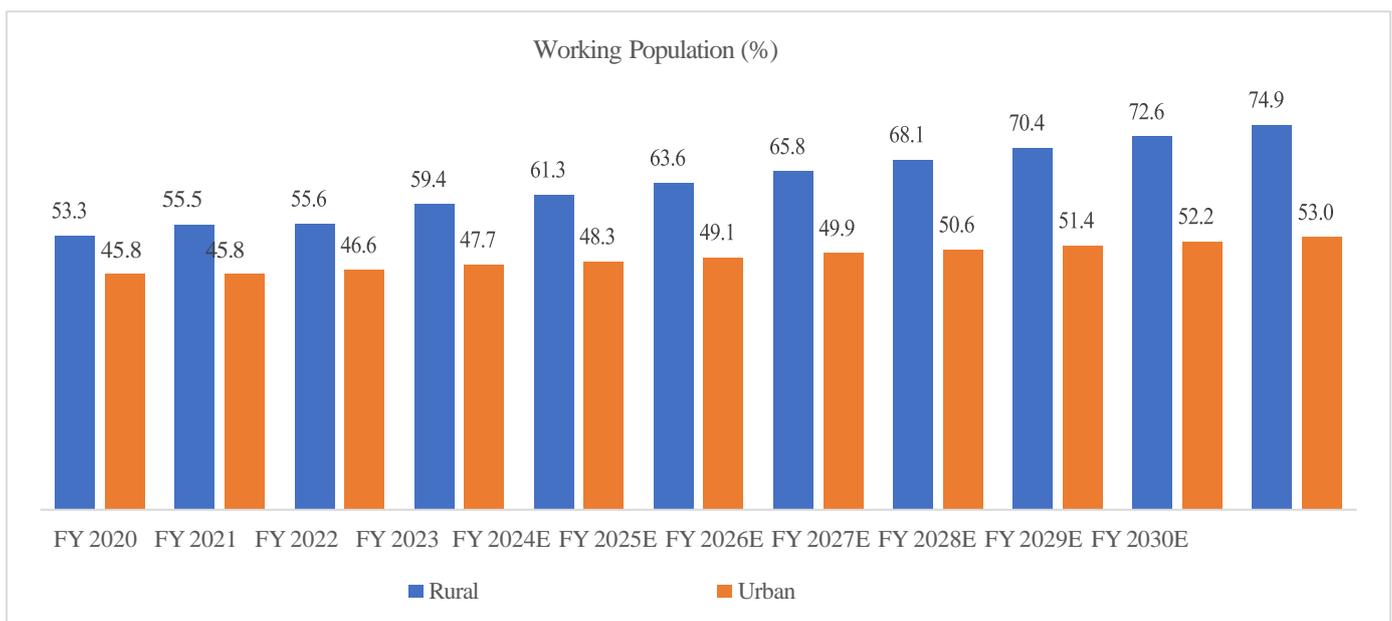
The share of urban population in total population has been quickly escalating. In 2019, 34.5% of the total population was urban. By 2023, this is estimated to have reached to 36.4%, showing an increment of 2.1% in a span of four years. The share of urban population is further forecasted to cross 40% by 2030. This increase in urban population is set to demand drastic changes in infrastructure development. Cities are a major driver for the construction industry. With cities expanding rapidly, there will be an increased need for improved housing, water supply, sewage systems, and electricity. Urban planning will need to account for higher population densities, necessitating the development of smart cities with integrated technology for efficient management of resources and services. The Smart Cities Mission targeted at 100 cities is aimed at improving the quality of life through modernized/ technology driven urban planning. This transformation will also require significant investment in public

health, education, and recreational facilities to enhance the quality of urban living. The surge in urban population will also propel demand for improvement in multimodal transport infrastructure for freight and passenger travel requirement.

Rural Vs Urban Working Population Age Group

As India continues to experience economic growth and development, the working population in both rural and urban areas is increasing. In case of urban population, this growth is marked from a share of 45.8% in FY20 to 47.7% in FY23, whereas in rural areas, it grew from 53.3% in FY20 to 59.4% in FY23.

This growth is driven by a combination of factors, including demographic changes, economic policies, and the expansion of various industries. The rise in employment opportunities across sectors such as agriculture, manufacturing, services, and information technology has contributed to the overall increase in the working population, thereby fostering economic stability and enhancing the standard of living for many Indians.



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023, D&B Research and Estimates

In urban areas, the working population is growing rapidly due to the proliferation of jobs in sectors like IT, finance, retail, and healthcare. Additionally, the development of infrastructure, such as improved transportation networks and housing, has made urban centers more accessible and desirable for the working population. In rural areas, the working population remains substantial, primarily due to the dominance of the agricultural sector. Government initiatives aimed at rural development, such as improved access to education and skill development programs, have also played a crucial role in enhancing employment prospects in these regions. The dominance of the rural working population over their urban counterparts can be attributed to the agricultural sector's labour-intensive nature ensures a consistent demand for human labor despite advancements in mechanization, sustaining employment rates in rural areas.

Increasing working population pushes the need for reliable and sustainable mobility options. Government focussed initiatives supporting infrastructure development and mobility solutions will ensure seamless transportation networks and fostering economic growth across both rural and urban regions.

Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI, Aadhaar based benefit transfer programs, and streamlining of GST collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favourable demographic pattern (with higher percentage of tech savvy youth population) and India's strong IT sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Growth Outlook

India's H1 FY2024-25 GDP slowdown is cyclical, driven by credit tightening and delayed fiscal spending, but strong fundamentals should support growth in the second half of the fiscal year. Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labour and land reforms. The government is also taking steps to control retail inflation by managing food prices and import duties. Retail inflation eased to 5.5% y/y in November, down from 6.2% in October, as vegetable prices moderated following a bumper summer harvest and favorable monsoon. Still-high food prices and geopolitical tensions continue to pose risks to inflation and growth. High retail credit and rising unsecured loans signal consumption-driven borrowing, yet urban demand remains under pressure. Rural demand has shown resilience, benefitting from favorable monsoons, robust agricultural output and elevated food prices.

The RBI's September economic review highlighted a contrasting trend in rural and urban consumption demand in H1 FY2024-25, with rural demand remaining robust, while urban demand showed weakness.

On external front, the global business environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability. In early December 2024, the Indian rupee dropped below INR84:85 per USD, due to strong dollar demand from foreign banks, likely due to outflows from equities and the weakness in regional peers as the dollar strengthened. Despite this, the rupee one of the least volatile major currencies as per RBI. However, external pressures, including US monetary policy and geopolitical risks, will keep the rupee under stress, limiting its near-term appreciation potential.

Looking ahead to 2025, India's projected GDP growth of 6.5% stands out as the fastest among major emerging markets, significantly outpacing China's 4.8%, and Brazil's 3%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.

This decent growth momentum in near term CY 2025 is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1st Feb 2024.

Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY2024 and setting a lower-than-expected fiscal deficit target for FY2025, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D (Research & Development) in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY2024 and projecting a lower than-anticipated fiscal deficit of 4.9% as announced in the interim budget in July 2024 for the current fiscal year (FY 2025) are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion) for fiscal year 2024-25 – is at a 21-year high (3.3% of GDP in fiscal year 2023-24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

Overview of Indian Textile Industry

Textile manufacturing is one of the significant economic sectors in India, contributing to nearly 2.3% towards the gross domestic product (GDP). The industry accounts approximately 13% of overall industrial production, and nearly 12% of total export earnings. It is also one of the leading employers, employing nearly 45 million people across its various segments.

The Indian textile industry comprises of Natural and Man-Made Fibers. The natural fiber portfolio consists of Cotton, Jute, Silk, Wool, Coir and Flex. On the other hand, man-made fibre is broadly classified into Cellulosic and Non-Cellulosic. Cellulosic fibers are derived from cellulose in cotton and wood pulp and comprises of Rayon (Viscose), Acetate fibers and Triacetate. Non-Cellulosic fibres are derived from petrochemical processing and comprises of Polyester, Acrylic, Olefin, Nylon and Spandex.

Currently Indian textile sector has the capability to meet increasing domestic demand as well as make a mark in international textile products trade. In readymade garment segments India has managed to garner close to 4% of global trade and has become the world's second-largest producer of textiles and garments as well as the 6th largest exporter of apparels and clothing⁵. By value, the readymade garment segment alone contributed 45% share to total textile industry export from India.

India is one of the largest manufacturers of synthetic yarns in the world. Synthetic yarn sector in the country witnessed large scale investments which have helped in producing a wide range of yarn. In addition, the presence of a well-developed petrochemical sector which helped in easy availability of raw materials was further instrumental in the growth of the sector.

Textile Manufacturing Value Chain

Stages in Textile Manufacturing	
Raw Material	<p>Natural Fibers: India is one of the world's largest producers of cotton and jute, which are fundamental to the textile industry. The cultivation practices of these fibers directly impact the quality and sustainability of the raw materials.</p> <p>Synthetic Fibers: Man-made fibers, supplied by the petrochemical industry, have gained prominence since the mid-20th century. These fibers are crucial for producing a wide range of textile products, including easy-care clothing and furnishings.</p>
Spinning	The spinning stage involves converting raw fibers into yarn. This process is pivotal as it determines the quality and characteristics of the yarn, influencing the final textile product. India boasts a robust spinning sector that integrates both natural and synthetic fibers, catering to a wide array of market demands.
Weaving & Knitting	<p>Weaving: This process involves interlacing yarns to create fabric. India has a significant number of weaving units, although challenges related to quality and cost often result in the importation of woven fabrics.</p> <p>Knitting: The knitting sector in India is more integrated, with many facilities capable of producing finished garments directly from yarn. This segment has experienced substantial growth, with local production meeting a significant portion of domestic demand.</p>
Fabric Processing	After fabric creation, it undergoes various treatments such as dyeing, printing, and finishing to enhance its properties. This stage is crucial for adding value to the fabric, making it suitable for the final product market. The processing sector plays an essential role in ensuring the fabric meets consumer expectations in terms of quality and aesthetics.
Apparel Manufacturing	The final stage of the value chain involves converting fabric into finished garments. India's apparel manufacturing sector is diverse, ranging from traditional handloom products to modern, mass-produced clothing. This segment is labour-intensive, employing millions and serving as a vital component of the economy.

⁵ UN Comtrade

Cotton Spinning

Cotton fiber that is converted into textile products is manufactured through a two-stage process. The first phase involves conversion of raw cotton fiber to yarn through spinning process and the second process involves converting the cotton yarn to fabric through weaving process. It needs to be noted that these two phases are broad classification which also includes other activities like mixing, carding, combing, drawing, rowing, warping, and finishing. But spinning and weaving form the core of cotton fabric production.

Ring frame spinning / ring spinning, and open-ended spinning are two of the spinning process deployed in Indian cotton spinning sector. Ring spinning uses spindles while open-ended spinning uses rotors to convert cotton fiber into yarn. Among the two processes, open-ended spinning is technically superior and open-ended rotors are 4 to 8 times faster than spindles in producing cotton yarn.

Ring Spinning	Open End Spinning
Ideal for spinning finer cotton yarns	Three to five times faster than ring spinning
Suitable for producing comber yarn	Ideal for manufacturing carded yarn (coarser)
Suitable method for all staple fibers	Not suitable for spinning manmade fiber (except rayon)
Yarn produced through ring spinning can be used for a	Open end spun cotton yarn ideal for heavier fabrics like

wide variety of applications	denims, towels and poplins ⁶
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Open Ended Spinning

The faster production rate and higher yield were the initial attributes that popularized the open-end spinning technique. Moreover, open end spinning mills are better suited for process automation, which is expected to become a mainstay in textile industry. Additionally, open end spinning process also eliminates the need for rowing and winding process. These attributes along with higher yield has led to the popularity of open-end spinning mills, leading to the creation of open-end spinning hubs, the largest of which is concentrated in Tamil Nadu.

Of late open-end spinning mills has been gaining prominence because of its superiority in manufacturing yarn from cotton waste. With sustainable production practices gaining momentum across the country, the popularity of open-end spinning mills has gone. Initially, these mills used cotton waste which was then converted to yarn. However, the increase price of cotton forced these mills to explore other recyclable materials.

Ring Frame Spinning

Ring spinning is the oldest of spinning processes to convert fibre to make a yarn. The ring spinning frame, commonly called the ring, is the conventional spinning system and it transforms the roving from the roving frame into spun yarn using the operations of drawing, twisting and winding. The ring spinning machine is capable of simultaneously twist staple fibers into yarn and then wind it onto bobbins for storage. The technology provides the widest range in terms of the yarn counts it can produce. It is used to product produce high quality spun yarn ranging from fine (60 Ne, 10 tex) to medium count (30 Ne, 20 tex) range, with a small amount produced in the coarse count (10 Ne, 60 tex) range. End uses include high-quality underwear, shirting, towels. However, ring spinning is a comparatively expensive process because of its slower production speeds and the additional processes (roving and winding) required for producing ring spun yarns.

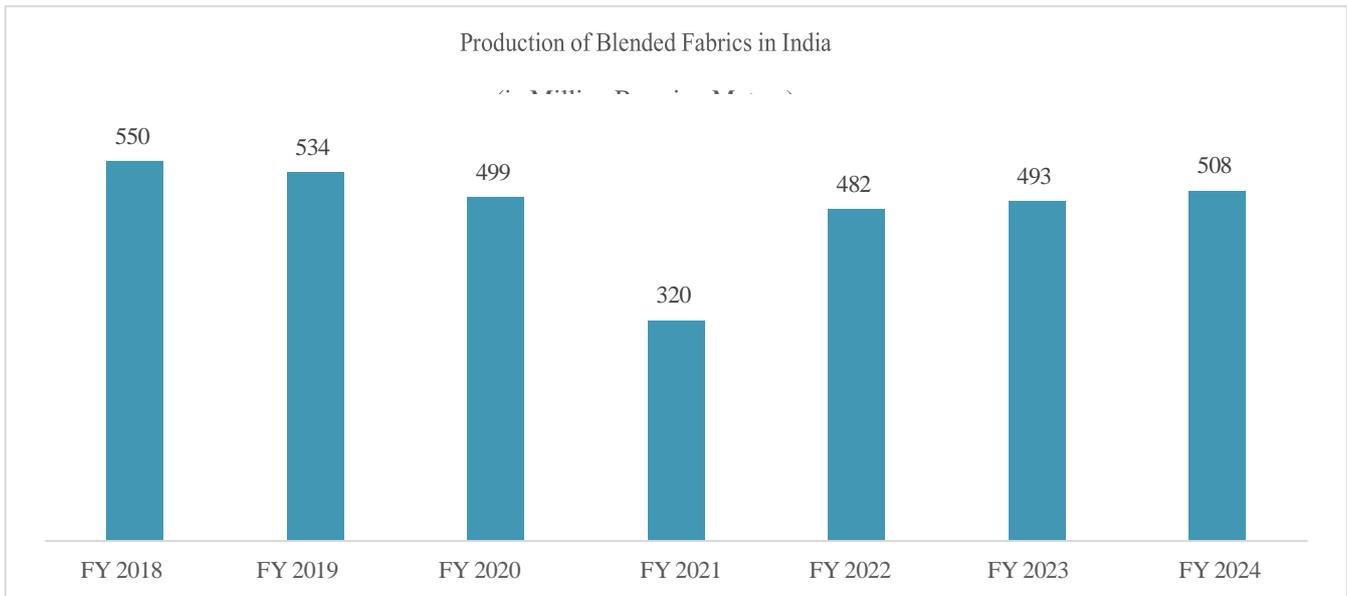
Current Scenario

The Indian textile and apparel market size was estimated to be approximately USD 165 billion in 2023, with the domestic market accounting for USD 125 billion and exports contributing USD 40 billion. This growth is driven by increasing domestic demand, favorable government policies, and the rising preference for sustainable and ethically produced textiles, positioning India as a key player in the global textile industry.

The country is the largest cotton producer globally, with 23%⁷ of global share with highest area under cotton cultivation of 39% of world area, second largest consumer of cotton globally, and third largest exporter of textiles and apparels globally. Cotton is sustaining the livelihood of around 6.5 million cotton farmers, with 40-50 million people engaged in cotton processing and trade activities. Similarly, the country is the largest manufacturer⁸ of PPE and producer of polyester, silk and fibre in the world.

The total annual production of fabric (comprising of cotton woven fabrics and polyester/viscose blended fabric) in India is estimated to be nearly 508 million running meters⁹ in FY 2024. Between FY 2021-24, the production has increased at 16.6% CAGR, indicating a positive trend.

⁶ Plain weave cotton fabric with a strong, silky and lustrous surface. Poplin is commonly used to manufacture men’s & women’s shirts, women dresses, sportswear and raincoats

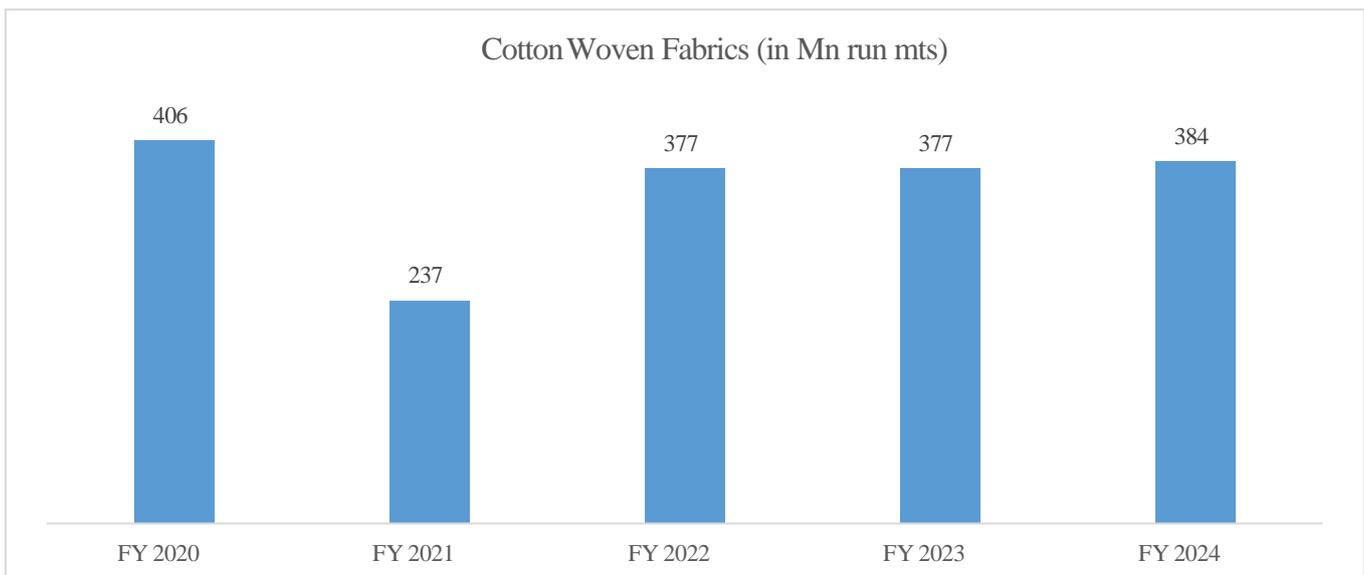


Source: CMIE Industry Outlook (sourced from Central Statistics Office Data)

Cotton Yarn & Textiles.

India is one of the largest consumers and producers of cotton, with the highest acreage of 12.5 million hectares, accounting for 38% of the global area under cotton cultivation. Annual production of cotton in the country reached 325 lakh bales (with each bale weighing approximately 170 kgs) in FY 2024 with yield touching 435 kgs/ hectare. Production is expected to fall to 302 lakh bales in FY 2025, on account of crop damage due to excessive rainfall¹⁰.

This dominance in cotton production has naturally give India an edge in global cotton yarn and cotton textile production. The total annual production of cotton woven fabrics in India is estimated to have reached 384 million run meters in FY 2024 while the production of knitted cotton fabrics during the same year reached approximately 112 thousand tons. Production volume of both cotton woven textiles & knitted fabrics have dipped in the recent years, primarily due to the challenges in adequate cotton availability.



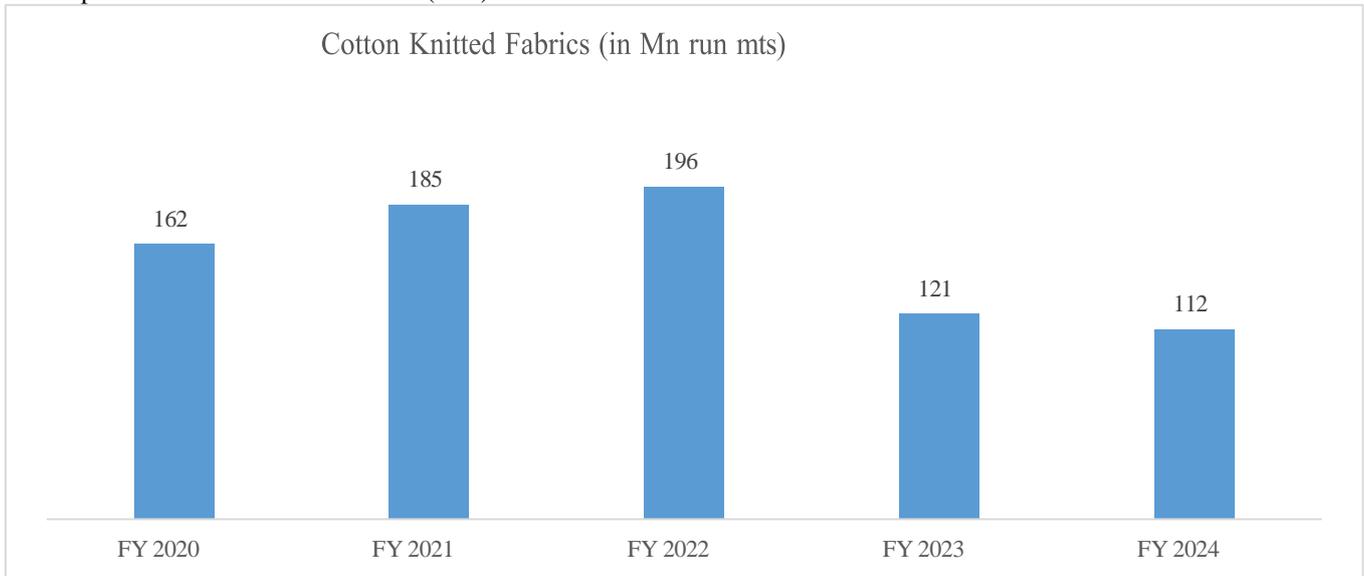
Source: D&B Research, CMIE Database

⁷ Invest India, Ministry of Commerce and Industries

⁸ Invest India, Ministry of Commerce and Industries

⁹ Specialized unit of measurement used in textile industry. It refers to the length of continuous material or fabric that is typically uncut or unaltered.

¹⁰ As per Cotton Association of India (CAI)

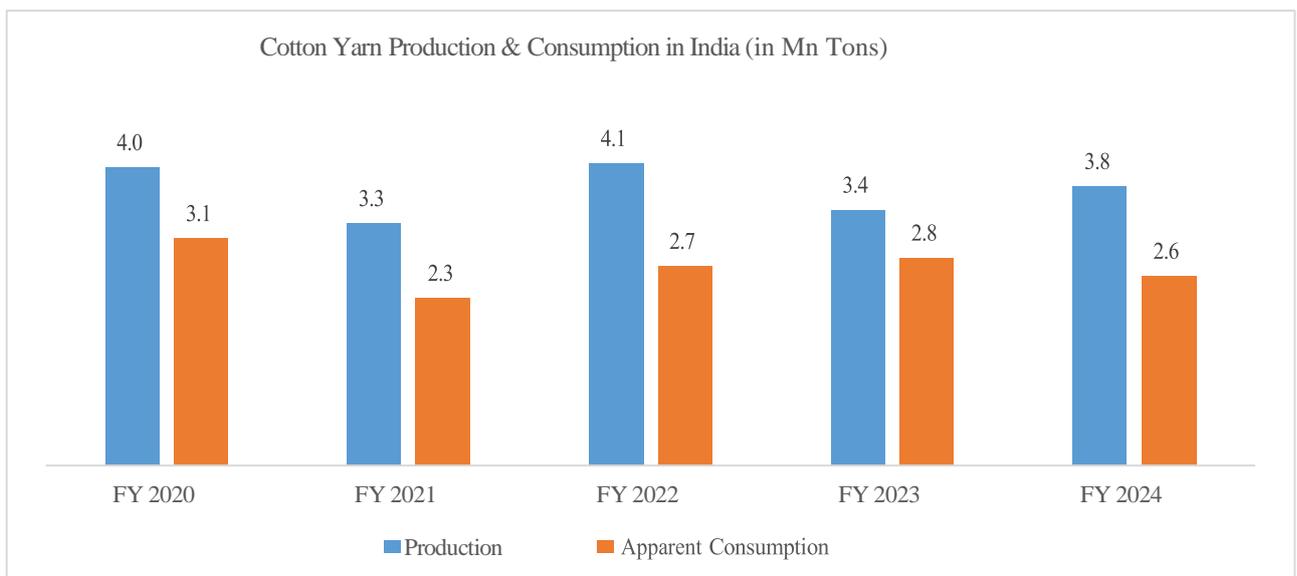


Source: D&B Research, CMIE Database

Production & Consumption of Cotton Yarn in India

India has the second largest spinning capacity in the world, and bulk of this capacity is concentrated in the states of Gujarat, Maharashtra, and Telangana. Such a vast spinning capacity has helped India emerge as a global leader in cotton yarn production, with annual production touching nearly 3.8 million tons in FY 2024. India is the second largest producer of cotton yarn in the world, accounting for approximately one fifth of global cotton production.

Apart from fuelling domestic cotton textile industry, this large yarn production capacity has also helped India emerge as one of the largest exporters of cotton yarn in the world. It is estimated that nearly 70% of domestic production is consumed internally by cotton fabric mills while remaining part is exported. Imports accounts for only a negligible part of the total pie.



Source: D&B Research, CMIE Database, Apparent Consumption: Production + Imports – Exports

Key Demand Drivers

The demand for cotton yarn is directly related to the demand scenario prevalent in the domestic textile industry. Being the primary input material used for cotton textiles, factors that have an impact on the overall textile as well as cotton textile industry

have a direct impact on cotton yarn demand. Some of the key factors that are having an impact on the larger textile and cotton textile industry include:

Access to large urban population, young demography of India, availability of raw materials, existence of total value chain, Government support and technology up-gradation are major factors that contribute to the growth of overall textile sector.

Access to large base of Urban population:

India is undergoing in rapid demographic changes for over three decades, with a population of 1.44 billion, India has become the most populous country in the world. An emerging middle class with higher discretionary spending power and increased appetite for consumer goods is fuelling overall textile industry in domestic market. Growth in domestic textile market has a high degree of correlation with the rise of affluent middle class centered in urban markets. With increasing population, the trend of urbanization is also increasing. More and more people are migrating to cities every year, thus increasing urban population along with increasing disposable income.

India's capital New Delhi is identified as the world's fastest growing city, surpassing Tokyo, and Shanghai. Urban population increased from 278 Mn to 373 Mn during the past decade (2001-11) and the proportion of urban population to total population increased from ~27.8% to ~31%. In the last decade urbanization in India has increase at an average annual rate of about 2.4%. By 2030, the share of urban population is estimated to grow to about 41.7% of the population of India i.e., 625 Mn where 5 state in India namely Tamil Nadu, Gujarat, Maharashtra, Karnataka, and Punjab will have more than 50% urbanization. Also, the number of metropolitan cities in India is projected to increase from 46 in 2011 to 68 by 2030. Similarly, the urbanization of India is only at 33%¹¹, which is an indicator that there is still a lot of rural divides in the country, which has the potential to become urban as tier II and tier III cities in the long term.

These larger trends (on urbanization & overall population growth) have created a large customer base for all kinds of consumer products, including textile products. Since cotton textile products has traditionally been strongly favoured by Indian consumer class, the growth in consumer base has helped in increasing the demand for all type of cotton textiles, and consequently for cotton yarn.

Higher demand from rural areas:

Traditionally, demand for textile products were lower in rural areas because of lower disposable income of rural consumer compared to their urban peers. However, the difference in disposable income has been improving in favor of rural consumers due to higher employment by means of government sponsored job outreach programs like MNREGA. Consequently, rural consumer base has increased, and rural income growth has been supporting the growth of textile products.

Changes in spending pattern

Spending pattern of the new class of consumer segment with higher disposable income has turned out to be entirely different from previous existing consumer segments. Spending on consumer durables and non- durables has seen a particular increase as this new consumer class mirrors the spending pattern observed in advanced economies. Exposure to consumption pattern and lifestyle pattern in western economies has played a role in this change. Consequently, the frequency on spending on clothing products among this new consumer segment has gone up.

Growth in Fashion Industry:

Fashion industry is evolving with increasing demand for fast fashion products is witnessing a surge in India. This is driven by changing consumer preferences, increasing disposable incomes, and the influence of social media. This growth trend is reshaping the retail landscape and creating significant opportunities for both established and emerging brands.

The primary drivers of this demand for fast fashion are Millennials and Gen Z consumers, who are increasingly seeking affordable yet trendy clothing options. Fast fashion brands cater to this demographic by offering a constant stream of new styles that align with current trends. Reports indicate that these consumers are not only purchasing more frequently but also experimenting with diverse styles, influenced heavily by social media platforms like Instagram. The ability of fast fashion brands to quickly identify and capitalize on viral trends has become a crucial factor in their success. This has directly resulted in higher demand for all kind of textile products, and consequently for all type of textile input materials including cotton yarn.

Rise in organized retail sector as well as e-commerce:

The rise of organized retail and the e-commerce sector in India has significantly contributed to the increased demand for textile apparel. These platforms have expanded access to a wide range of apparel products, providing convenience and a diverse

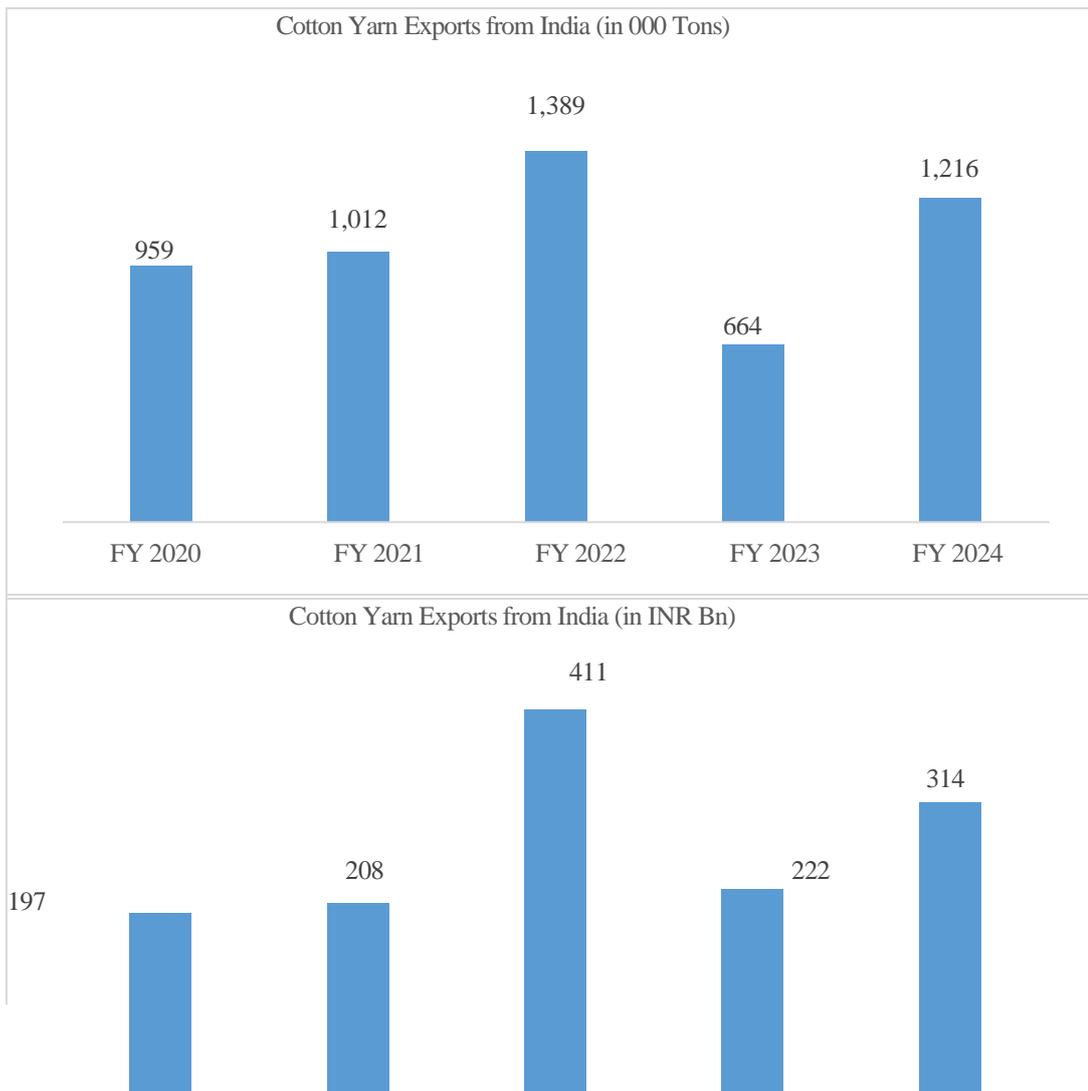
selection for consumers across the country. The availability of a broader product range, competitive pricing, and discounts have fueled consumer interest in textile apparel. Moreover, the enhanced consumer experience through user-friendly websites, personalized recommendations, and hassle-free returns has further stimulated demand.

The influence of social media and influencer marketing, along with the penetration of organized retail and e-commerce in tier 2 and tier 3 cities, has opened new markets and brought textile apparel within the reach of a larger consumer base. Overall, these developments have transformed the textile apparel market, making it more accessible, convenient, and appealing to consumers, leading to a rise in demand for textile apparel products.

Trade Scenario

India is the leading exporter of cotton yarn in the world, with approximately 20 – 25% of domestic production being exported annually. In FY 2024, the total volume of cotton yarn exported from India reached approximately 1,216 thousand tons which brought in an export revenue of nearly INR 314 Bn. Bangladesh is the largest export market for India, accounting for nearly 35% of total volume of cotton yarn exports in FY 2024. Other leading export destinations include China, Egypt, Vietnam, and Portugal. Together these five markets accounted for nearly 70% of total volume of cotton yarn exports from India in FY 2024. Globally, there is a strategic realignment happening in international trade with major western economies looking to de-leverage from their excessive import dependence on China. This development is in the backdrop of Covid-19 pandemic which led to disruption in freight trade from China – which was the first country to be impacted. The China + 1 policy which focuses on developing an alternate market along with China (to spread the risk) is gaining strength.

In the case of cotton yarn, such a policy would have a positive impact on India which is one of the largest cotton yarn manufacturers in India. The country is already home to the entire textile value chain and is the preferred sourcing destination for major global brands. Given these strengths, India stands at a better chance of getting a higher share of global cotton yarn trade.



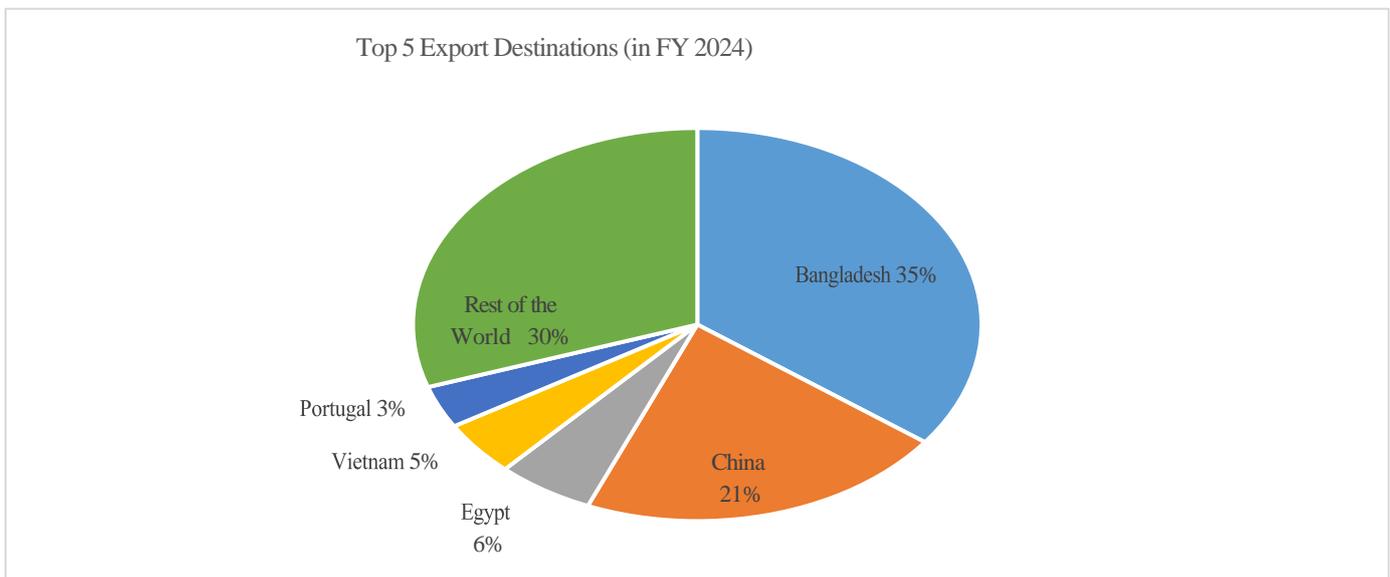


Source: D&B Research

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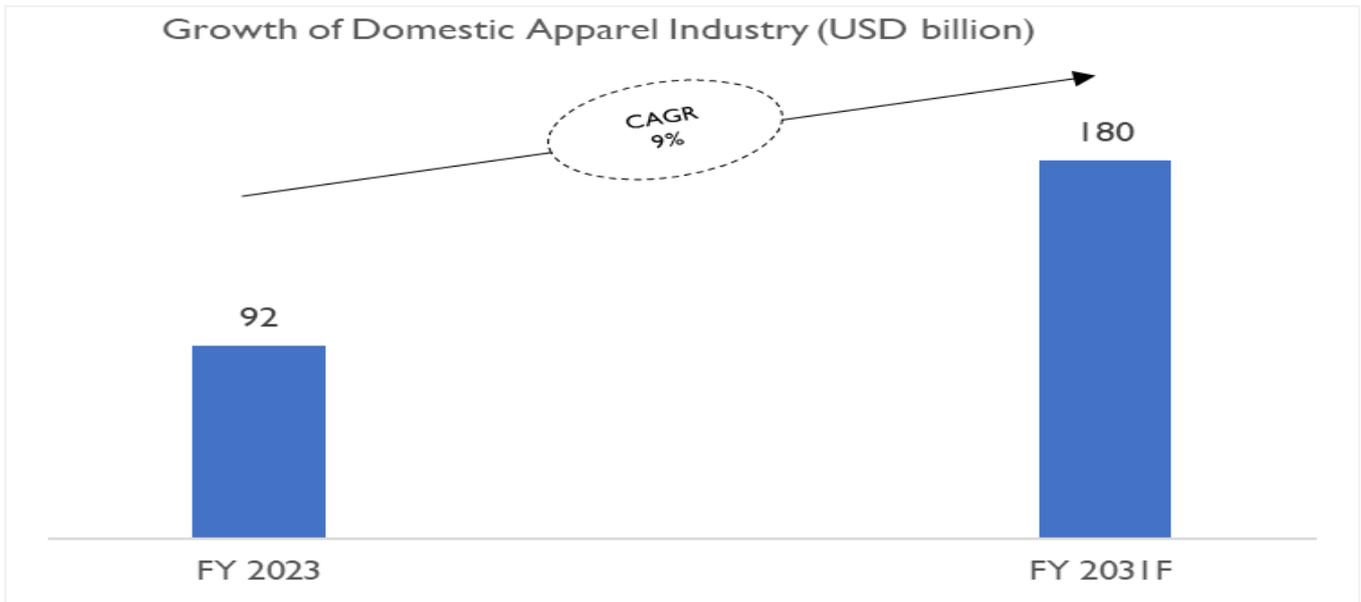


Source: D&B Research

Growth Forecast

The Indian textile and apparel industry is poised for substantial growth, with market size expected to increase from USD 125 billion in FY 2023 to USD 250 billion by FY 2031, reflecting a compound annual growth rate (CAGR) of 9%. This growth is driven by rising domestic demand, supported by increasing disposable incomes, evolving fashion trends, and government initiatives like the Production Linked Incentive (PLI) scheme and PM Mitra, which aim to attract investments and modernize the industry.

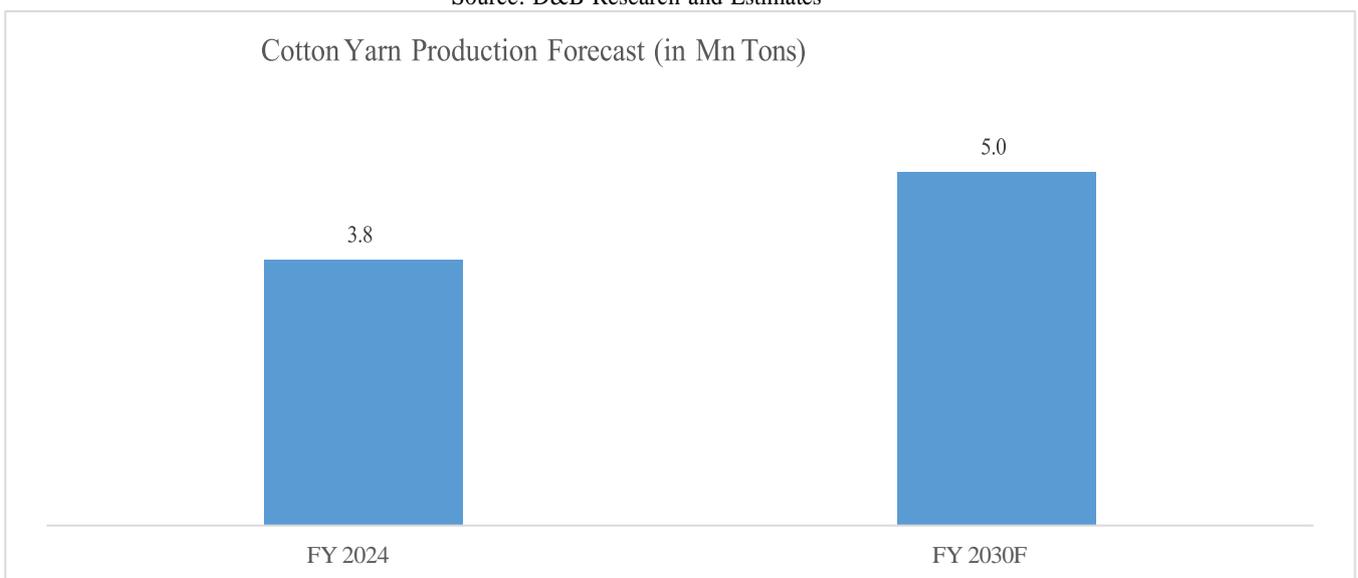
The rapid expansion of e-commerce has further fuelled this growth by making apparel more accessible, especially to the tech-savvy younger generation. Additionally, improved quality standards and strategic trade agreements are enhancing India's position in the global market. Technological advancements and sustainable practices are also boosting industry efficiency and competitiveness.



Within the domestic market, the apparel segment is a major growth driver. In FY 2023, it stood at USD 92 billion and is projected to reach USD 180 billion by FY 2031. This increase is largely attributed to rising disposable incomes and growing fashion awareness.

Demand for textile production, from domestic as well as export markets, is expected to grow strong in the coming years. Higher disposable income and shift in consumption pattern is driving the domestic market. In addition, growing importance of India as a major textile manufacturing hub which have helped in the growth of Indian textile sector would continue to fuel its growth. Cotton textiles has been the dominant textile segment in India, and it is expected to retain its preeminent position as textile material of choice in the coming years too. Thus, the domestic demand for cotton yarn is expected to remain strong, both from domestic market as well as exports. Accordingly, the domestic production of cotton yarn is expected to grow at a faster rate in the coming years, and annual production is expected to touch nearly 5 million tons by FY 2030, up from the current level of nearly 3.8 million tons (as on FY 2024).

Source: D&B Research and Estimates



Threats & Challenges

Two of the major threats facing the domestic cotton yarn manufacturing industry is the price volatility & availability of cotton yarn, as well as increasing competition from synthetic textile products. In addition, the growing focus on sustainability & increasing scrutiny on environmental issues are also causing some challenges, however those can be at best termed as temporary roadblocks.

Raw Material Scenario: Raw material (cotton) cost is the single biggest cost component in yarn manufacturing and is estimated to account for more than half of the total yarn production cost. Consequently any deviation in cotton price will have a significant impact on the operations of yarn manufacturers. Although domestic production of cotton is one of the largest in the world, several domestic & international factors have an impact on the product pricing. For example the recent political unrest in Bangladesh have impacted the textile industry as a whole, and it is believed to have also impacted cotton as well as yarn pricing. Similarly, factors like uneven climatic conditions that impact the cotton yield, any supply chain disruptions, and import/export variations all have an impact cotton supply and in turn its pricing.

Competition from Synthetic Textiles: Cotton textile products faces competition from synthetic textiles owing to the lower cost and some superior attributes of the later. Globally synthetic textile is growing at a faster rate than cotton textiles because of attributes ranging from lower price to specific functionalities (like design & better fitment for the fast fashion industry, durability, quicker drying time, superior wrinkle resistance). Although cotton textile continue to be a preferred choice in India, their dominance is eroding as more and more customers are opting for the functionality offered by synthetic textiles.

BUSINESS OVERVIEW

Some of the information contained 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 the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.

Unless the context otherwise requires, in this section, references to “our Company”, “the Company”, “we”, “us”, or “our” refers to Vivekanand Cotspin Limited.

Overview

Our company is engaged in the business of cotton processing and yarn manufacturing sector by way of Ginning of cotton and spinning of cotton yarn along with its trading. The products manufactured at our Company include Cotton bales, cotton seeds and Cotton yarn. The company operates in two primary areas: cotton ginning and spinning. In the ginning process, it separates cotton fibers from seeds, which is the first step in preparing raw cotton for textile production. Following this, the company focuses on spinning, where the clean cotton fibers are turned into yarn. This yarn, produced in various counts and quality grades, is used by textile mills for weaving and knitting fabrics.

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of “Vivekanand Cotspin LLP” pursuant to provisions of Limited Liability Partnership Act, 2008 (“LLP Act”), bearing registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style of “Vivekanand Cotspin Private Limited” pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General Meeting held on December 2, 2024 and consequently the name of our company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of our Company is U13111GJ2024PLC154066

Our registered office and manufacturing unit is situated at S/no 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujrat, India.

The company's product range is centered on cotton yarn, including carded and combed yarn, which caters to both domestic and international markets. Vivekanand Cotspin serves a wide array of industries that require high-quality yarn for fabric production, and its reach extends beyond India, with exports to other countries. The company operates spinning mills, utilizing machinery to ensure efficient production while maintaining quality control.

The manufacturing facility of our Company is situated at Rangpurda, Kadi of Mahesana District in Gujarat state which is close to the rich cotton growing areas of Maharashtra and Saurashtra (region) of Gujarat. The company has established a production capacity of approximately 4,550.51 tons of cotton yarn and 8,000 tons of cotton bales annually. Our plant is equipped with plant and machinery. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry.

The Promoters of our Company, Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel have 13, 05, 13, 13 and 09 years of experience in the cotton textile industry. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw cotton, Cotton bales, Cotton seeds, yarn and by-products. Under the leadership of our promoter, we have been able to maintain cordial customer relationship and generate repeated order flows.

For the fiscal year ended on September 30, 2024, August 04, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 the total revenue of our Company stood at Rs.1,814.73 Lakhs, Rs.7,557.61 Lakhs, Rs. 35,782.31 Lakhs, Rs.30,217.83 Lakhs, Rs. 18,298.28 Lakhs respectively. Further, our PAT for the fiscal year ended on September 30, 2024, March 31, 2024, March 31,

2023, and March 31, 2022 were Rs. 38.79 Lakhs, Rs. 103.49 Lakhs, Rs. 359.04 Lakhs, Rs. (57.35) Lakhs, Rs. (69.62) Lakhs respectively.

OUR BUSINESS STRENGTHS

1. Forward Integration:

Our Company is engaged in the business of processing of raw cotton by way of Ginning of cotton and spinning of cotton yarn. The raw material for the ginning unit is raw cotton which is generally procured from the local areas and the raw material for cotton spinning is ginned cotton which is the finished product of the ginning unit. The setting up of the Spinning Unit has resulted into the forward integration into the cotton textile industry.

The product-wise bifurcation of sales is as follows:

Particulars	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Cotton Yarn	1366.53	75.37%	3243.40	42.94%	9741.74	27.25%	10377.24	34.39%	14419.71	78.86%
Cotton Bales	34.32	1.89%	2737.58	36.24%	21049.85	58.89%	18506.38	61.32%	2065.58	11.30%
Cotton Yarn Waste	123.75	6.83%	346.06	4.58%	1117.61	3.13%	851.07	2.82%	1025.64	5.61%
Cotton Seed	-		1100.69	14.57%	3375.51	9.44%	-		-	-
Others	288.57	15.92%	126.10	1.67%	461.19	1.29%	443.78	1.47%	775.41	4.24%
Total	1813.17	100.00%	7553.83	100.00%	35745.91	100.00%	30178.47	100.00%	18286.34	100.00%

This forward integration strategy helps the company benefit from control over its supply chain, reduce reliance on external suppliers for processed cotton, and potentially increase profitability by moving further down the value chain. Additionally, it positions the company strategically in the textile industry, enabling it to meet the demands of textile mills and other fabric manufacturers effectively.

2. Cost effective production and timely fulfillment of orders:

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality raw material, smooth Labor relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. Our Company also has enjoyed good relations with our suppliers and as a consequence, has the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

3. Scalable Business Model:

We operate with a scalable business model, which focuses on optimizing production capacity, strengthening supplier relationships, and achieving economies of scale. The company aims to maximize the utilization of its manufacturing capacity, ensuring that production is efficient and cost-effective. By maintaining linkages with quality raw material suppliers, the company secures consistent access to high-quality cotton, which is crucial for producing superior yarn. This strategic approach helps in reducing procurement costs and improving production efficiency.

Over the past few financial years, the model has proven to be successful as it allows for upward scaling to meet the growing needs of the market. The company is in position to expand its operations by increasing output as required, thus catering to an expanding customer base and seizing new business opportunities.

4. Quality Focus:

Our company places a strong emphasis on producing high-quality yarn, recognizing that quality is a key factor in attracting and retaining customers in the competitive textile industry. By consistently delivering superior products, the company ensures customer satisfaction and loyalty, which are essential for long-term business success.

The company produces yarn in a variety of counts and grades, enabling it to cater to a wide range of fabric requirements. Different yarn counts (thickness of the yarn) and grades (quality levels) are needed for different types of fabrics, whether for fine textiles used in apparel or for coarser materials used in industrial applications. By offering a diverse product range, we can meet the needs of various customers, from textile mills to garment manufacturers.

In addition to product variety, the company ensures that its yarn maintains consistent quality throughout the production process. This focus on quality control helps establish a strong reputation in the market, making its products more desirable to buyers. By maintaining high standards and continuously improving its processes, the company is able to remain competitive, build trust with its clients, and adapt to evolving market demands.

5. Experienced Promoters:

Our company is led by a group of promoters, including Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel. Collectively, they bring over 13, 05, 13, 13 and 09 years of experience in the cotton textile industry. Their expertise ensures that the company operates efficiently across all functions, from sourcing raw cotton to delivering quality yarn to customers. This extensive experience gives the company a competitive edge in a rapidly evolving industry. Their track record and deep knowledge of the sector have been instrumental in the company's growth and success.

The promoters' leadership, strategic vision, and ability to navigate challenges in the cotton textile sector have played a crucial role in continuous development of our company. For further details about the promoters' backgrounds and their contributions to the company, please refer to the chapter titled "Our Management" on page 164 of this Draft Red Herring Prospectus.

OUR BUSINESS STRATEGIES

1. Entering into new geographies:

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also around the world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Our company is actively focused on expanding its market presence to drive growth and reduce dependency on existing markets. This expansion strategy encompasses both domestic and international markets, enabling the company to broaden its customer base and capitalize on emerging opportunities. By entering new geographic regions and forging relationships with a diverse range of customers, our company is able to enhance its sales potential and mitigate risks associated with market saturation in its current territories.

The current distribution of revenue in domestic and international market is as follows:

Particulars	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
India	1,813.17	100.00%	7,421.38	98.25%	32,554.77	91.07%	29,203.64	96.77%	18,286.34	100.00%
Bangladesh	-	-	-	-	3,130.49	8.76%	974.83	3.23%	-	0.00%
Portugal	-	-	-	-	60.65	0.17%	-	-	-	-
China	-	-	132.45	1.75%	-	-	-	-	-	-
Total	1,813.17	100.00%	7,553.83	100.00%	35,745.91	100.00%	30,178.47	100.00%	18,286.34	100.00%

(₹ in Lakhs)

Particulars	For The period ended				
	September 30, 2024	August 04, 2024	2023-24	2022-23	2021-22
Gujarat	1,802.07	7,383.88	31,993.27	28,981.91	18,239.13
Haryana	-	-	24.59	-	12.67
Madhya Pradesh	11.10	5.23	61.49	107.78	-
Maharashtra	-	-	415.55	-	17.02
Rajasthan	-	-	59.88	113.94	3.89
Punjab	-	-	-	-	13.63
Tamil Nadu	-	32.28	-	-	-
Total	1,813.17	7,421.38	32,554.77	29,203.64	18,286.34

2. Improving operational efficiencies:

Our company is dedicated to improving operational efficiencies through continuous process improvements, technology adoption, and a focus on customer service. The company refines its workflows to eliminate inefficiencies, reduce costs, and enhance product quality while ensuring timely deliveries. By embracing advanced technology, it streamlines production and stays ahead of industry trends. The company also aligns its employees with the goal of operational excellence through change management and skill upgrades, ensuring a collaborative approach to process improvements. This strategy not only improves cost-effectiveness and product quality but also helps the company meet customer demands efficiently. Ultimately, the company's commitment to continuous improvement and innovation allows it to maintain a competitive edge in the market, ensuring long-term growth and customer satisfaction.

3. Attract and retain talented employee:

Employees are essential for the success of every organization. The industry in which we operate are labour intensive and require skilled labour for operating our manufacturing facilities. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We also take necessary steps for reduction of the employee attrition rate and retain more of our skilled workers for our continual growth and expansion by providing them with better, safer and healthier working environment.

4. Leveraging our skills and relationship with our Suppliers and Customers:

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. We believe these relationships are key to sustaining the company's growth and success. Our dedicated approach to business, combined with a focus on efficiency and timely delivery, has helped us establish and nurture partnerships over the years. We prioritize meeting customer expectations, ensuring that they receive high-quality products within agreed timelines.

The Details of our top Customers and Suppliers are as follows:

(₹ in Lakhs)

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 customer	524.57	28.93%	3,564.34	47.19%	13743.42	38.45%	14878.46	49.30%	10834.30	59.25%
Top 3 customer	1121.82	61.87%	5,756.40	76.21%	26054.82	72.89%	20019.00	66.34%	13015.94	71.18%
Top 5 customers	1393.45	76.85%	6,272.92	83.04%	27914.40	78.09%	22907.66	75.91%	14051.94	76.84%
Top 10 customers	1614.98	89.07%	6,883.36	91.12%	31400.01	87.84%	26297.63	87.14%	15627.92	85.46%

(₹ in Lakhs)

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Supplier	509.09	29.07%	759.28	12.60%	3663.11	11.11%	20431.20	76.02%	10131.90	62.36%
Top 3 Suppliers	1318.02	75.25%	1,444.34	23.97%	7801.28	23.66%	23307.95	86.73%	13305.11	81.89%

Top 5 Suppliers	1561.89	89.17%	1,615.06	26.81%	9424.06	28.58%	24652.99	91.73%	14333.69	88.22%
Top 10 Suppliers	1720.32	98.22%	1,802.82	29.92%	11657.62	35.36%	25791.92	95.97%	15407.51	94.83%

Additionally, we aim to further enhance customer satisfaction by leveraging our marketing expertise and building even stronger connections with clients. By understanding their needs and adapting to market changes, we ensure that we continuously meet their demands. Equally important is our commitment to establishing mutually beneficial long-term relationships with suppliers. Collaborating closely with suppliers helps improve the overall performance of the supply chain, reduces costs, and enhances quality. This strategic approach not only supports operational efficiency but also enables the business to grow sustainably, creating value for all stakeholders involved.

5. Optimal Utilization of Resources:

Our Company constantly strive to optimize resource utilization through continuous improvements in production processes, machinery, and skill upgradation of our workforce. We regularly assess our raw material procurement and manufacturing workflows to identify inefficiencies or bottlenecks and take corrective actions. By addressing these areas, we enhance operational efficiency, reduce waste, and ensure that resources are used effectively. The modernization of machinery plays a crucial role in streamlining production, while skill development programs for workers ensure they can adapt to new technologies and processes. This focus on both technological and employee capabilities which allows us to improve overall productivity, reduce costs, and maintain a sustainable operation. Ultimately, our commitment to resource optimization enables us to meet market demands efficiently and support the company’s long-term growth and success. Through these efforts, we continue to enhance operational excellence and stay competitive in the industry.

OUR PRODUCT PORTFOLIO



The following is list of the products that we manufacture in our in-house production facilities.

Product	Description
Cotton Bales 	<p>Cotton bales are tightly compressed bundles of raw cotton fibers that are formed after the cotton has been harvested and processed through the ginning process. The cotton is cleaned, separated from seeds, and then compacted into rectangular or cylindrical shapes to make bales.</p> <p>We are specialized in manufacturing and supplying raw cotton bales. We offer an extensive range of Raw Cotton Shankar-6 (S-6) [Long/Short Staple] and V-797 [Short Staple] available in the market at competitive price. This range of cotton is sowed in the month of June and July and is harvested in November to February. Shankar - 6 is commonly cultivated in a large area mainly in the state of Gujarat.</p>

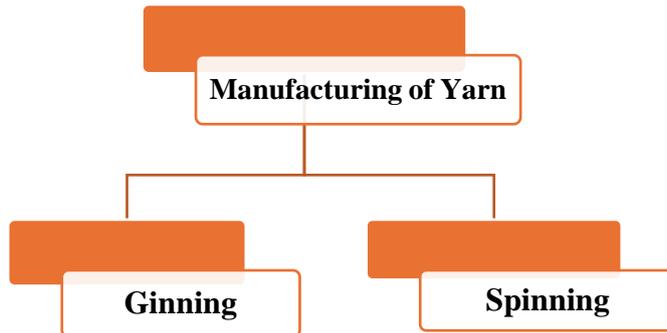
		<p>Cotton bales are primarily used in the textile industry to produce yarn and fabrics for clothing and home textiles. They also serve in the extraction of cottonseed for oil production, animal feed, and biodegradable products, as well as in the manufacturing of medical and hygiene products.</p>
<p>Cotton Yarn</p>		<p>Cotton yarn is a thread made from cotton fibers that have been spun together to form a continuous strand. It is the primary component for any Cotton woven or knitted fabric. Cotton yarn is used to make different type of fabrics. In some cases, the cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.</p> <p>We are engaged in the business of cotton processing in textile industry with our production facilities. We are manufacturer of yarn and we have an existing open end and ring spinning unit to cater to the yarn Domestic and International markets. Our technical team in spinning is well equipped with spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.</p>
<p>Cotton Yarn Waste</p>		<p>Cotton yarn waste is an inevitable byproduct of the yarn manufacturing process, arising from pre-processing, spinning, and post-processing stages. It includes short fibers, broken yarn, trimmings, and packaging waste.</p> <p>By improving production efficiency and adopting sustainable practices, such companies minimize waste generation, contributing to both cost savings and environmental conservation. Proper waste management helps in promoting a circular economy within the textile industry.</p>
<p>Cotton Seeds/ Delineate Seeds</p>		<p>Black cotton seeds are the seeds of the cotton plant, typically darker in color compared to other cotton seeds. They are small, oval-shaped, and have a hard outer shell. These seeds are primarily used for extracting cottonseed oil, which is widely used in cooking, as well as in the production of soaps, cosmetics, and industrial products. Black cotton seeds also contain protein-rich meal, which is used as animal feed. Additionally, they are used in the production of biofuels and other agricultural products. The seeds are a valuable byproduct of cotton cultivation, with their versatility contributing to various industries.</p> <p>We provide to our clients a wide range of Cotton seeds. Cotton seeds provided by us are useful for solvent industry. The wide spectrum of cotton seeds can be availed at very reasonable prices. We are the producer of quality of cotton seed remain after ginning. Cotton seed dry in our large compound to remove moisture from it.</p>

OUR MANUFACTURING FACILITY



OUR MANUFACTURING PROCESS

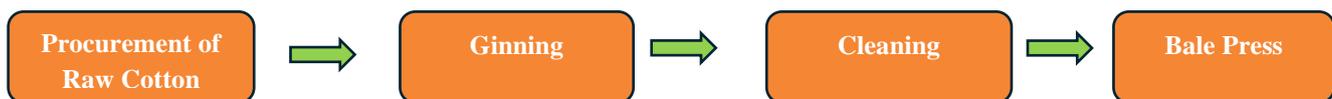
Our Manufacturing Process involves two processes i.e., Ginning and Spinning



A. GINNING DIVISION

Ginning is the first mechanical process involved in processing cotton. Ginning mill separates cotton fibers from the seed balls and dust particles. The main application of ginned cotton referred to as lint is for spinning operations, where lint is converted to yarn. We produce quality cotton in our own Ginning and Pressing Unit. The process begins after the cotton is harvested, typically in the form of cotton bales or loose cotton from the field. The primary objective of ginning is to remove impurities like dirt, leaves, and seeds from the cotton fibers to prepare them for spinning.

The detailed process of ginning is explained below:



1. Procurement of Raw Material

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

2. Ginning

A Ginning machine uses the raw cotton (Kapas) received from the conveyors as Raw materials. Ginning is the process of separating the cotton fibers from the cotton seeds. The separated cotton seeds are transported out of the ginning Unit and lint of cotton received from the ginning machine are transported for further cleaning process through conveyors.

3. Cleaning

The lint cotton received from the ginning machine is sending for further cleaning. This process involves cleaning of the impurities which are left into the lint cotton. The impurities separated during this process includes dust, leaves, stems and other small particles.

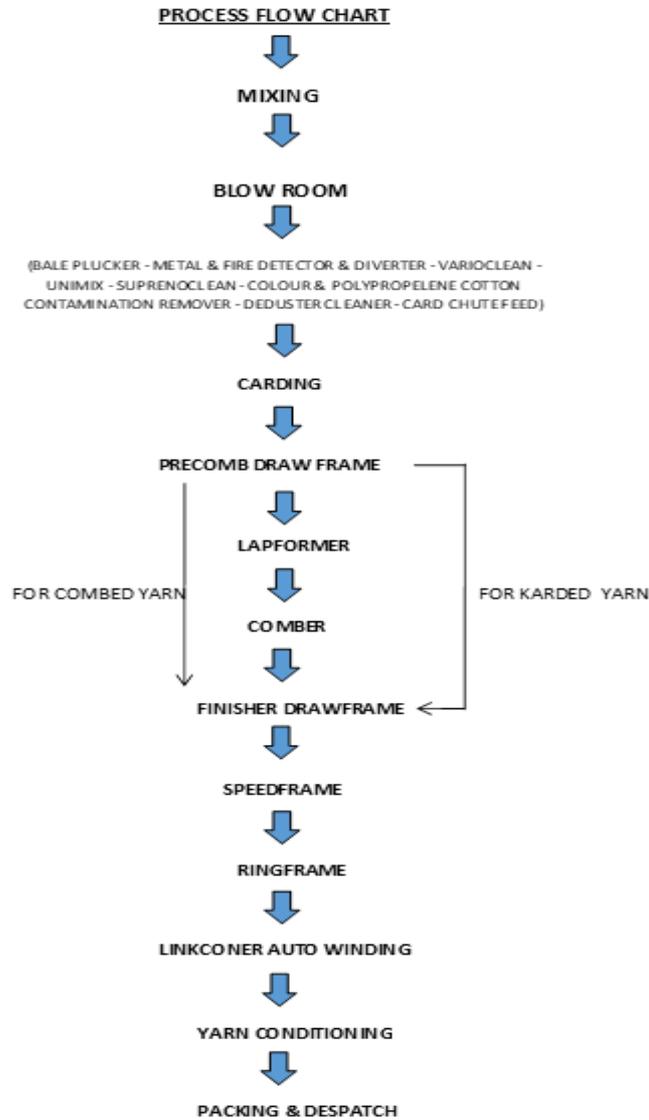
4. Bale Press

This step involves pressing of Lint cotton. In this process Lint cotton is used as Raw materials. The lint cotton will be kept in lint Godown before sending them for pressing. The gradation will be mainly for small staple, medium staple, long staple and very long staple fibres etc. The said lint cotton then will go through openers and finally for pressing. The pressed bales will be manually packed.

The result of the ginning process is clean cotton lint, which is then sent to the spinning mill to be transformed into yarn. The seeds, on the other hand, can be used for oil extraction, animal feed, or even for planting in future crops.

Ginning plays a critical role in the overall quality of the cotton, as it impacts the cleanliness and length of the fibers, which directly affects the final yarn quality.

B. SPINNING DIVISION



SPINNING PROCESS FLOW:

1) MIXING

The mixing process begins with **material selection**, where fibers such as cotton, wool, synthetics, or blends are chosen based on the required yarn specifications. Once the materials are selected, the process moves to **opening**, where fiber bales are opened, and large clumps of fibers are loosened to make mixing easier. Next, in the **layering** stage, layers from multiple bales are spread out to ensure an even distribution of fibers. The **blending** step follows, where fibers from different bales or sources are thoroughly mixed using mechanical machines like openers and blending machines, or sometimes by manual hand spreading. During or after blending, the **cleaning** process takes place, removing impurities such as dust, seeds, and other foreign particles from the fibers. Finally, the **testing** stage ensures that the blended fibers meet consistency and quality standards before they proceed to the next step in production. This thorough mixing process is essential for achieving a uniform, high-quality end product.

2) BLOW ROOM

The **blow room** is the first critical stage in the spinning process, where raw fibers, typically cotton, are prepared for further processing. This stage plays a vital role in ensuring that the fibers are clean, uniform, and ready for carding. The blow room serves several important functions, starting with **opening**, where compacted fibers in the bales are loosened and separated into smaller tufts. It also performs **cleaning**, effectively removing impurities such as dust, seeds, leaf particles, and other foreign matter that could affect the quality of the yarn. The **blending** function ensures that fibers from different bales are mixed uniformly, reducing variability and creating consistency in the material. Finally, **preliminary drafting** begins the process of aligning and straightening the fibers, preparing them for smoother processing downstream. By performing these essential tasks, the blow room sets the foundation for the production of high-quality yarn.

3) CARDING

Carding is a crucial process that transforms the tangled, cleaned fibers from the blow room into a fine, uniform strand called a sliver, which is prepared for further processing. The process begins with fiber feeding, where fibers are introduced into the carding machine via a chute feed system. During opening and cleaning, the fibers are separated into single strands, and any remaining impurities are removed. The machine then focuses on fiber alignment, straightening the fibers and arranging them parallel to one another. Once the fibers are aligned, they form a web, a thin layer of cleaned and straightened fibers. Finally, the web is condensed into a continuous strand, known as a sliver, and coiled into cans to be sent to the next stage of production. This carding process is essential for ensuring that the fibers are in the right condition for spinning, contributing to the overall quality of the yarn.

4) PRECOMB DRAW FRAME

The Precomber Draw Frame is an important preparatory machine in the spinning process, used before the combing stage to improve the quality and consistency of the sliver. Its primary role is to ensure that the sliver meets the high standards required for combing. One of its key functions is doubling, where multiple slivers (usually 6–8) are combined into one, helping to reduce variation in weight and ensuring uniformity. The machine then performs drafting, elongating the sliver by pulling and thinning it to achieve the desired thickness. During parallelization, the fibers are more precisely aligned, improving their orientation and overall quality. Finally, the machine produces sliver preparation, resulting in an even, well-formed sliver that is ready for the combing process. This step is critical for ensuring that the fibers are adequately prepared for the next stage, leading to higher-quality yarn production.

5) LAPFORMER

The Lapformer is a specialized machine used in the spinning process before the combing stage to prepare a compact, uniform fiber sheet known as a lap, which is essential for efficient and high-quality combing. One of its key functions is doubling, where multiple slivers are combined into a single, wide, and uniform sheet, helping to improve consistency. The machine then performs drafting, which reduces the thickness of the combined slivers while maintaining their uniformity. Finally, the drafted fibers are condensed and wound into a roll, or lap, which is ready for the combing machine. This process ensures that the fibers are uniformly aligned and prepared for the next stage, enhancing the overall quality and efficiency of the combing process.

6) COMBER

The **Comber** is a critical machine in the spinning process, used after the lap preparation stage. Its primary function is to remove short fibers and impurities, thereby enhancing the quality of the final yarn. One of the key functions of the comber is **short fiber removal**, where it eliminates fibers below a specified length, which helps improve the strength and evenness of the yarn. The machine also performs **impurity removal**, extracting fine trash and neps (small knots of fibers) to ensure cleaner material. Additionally, the comber works on **fiber alignment**, straightening and aligning the fibers for better uniformity and smoothness. Finally, the comber converts the cleaned and aligned fibers into a continuous **sliver**, preparing them for the subsequent stages in the spinning process. This ensures that the fibers are in optimal condition for spinning, resulting in high-quality yarn.

7) FINISHER DRAW FRAME

The **Finisher Draw Frame** is a critical machine in the spinning process, used after the precomber draw frame or combing stage. Its primary function is to further enhance the quality of the sliver by refining its uniformity and alignment before it moves on to the roving or ring spinning stage. One of the key functions of the finisher draw frame is **doubling**, where multiple slivers (usually 6–8) are combined into one, which helps to reduce weight variations and improve consistency. The machine then performs **drafting**, drawing out the sliver to achieve the desired thickness while ensuring uniformity. **Parallelization** is another important function, as it aligns the fibers more precisely, making them more parallel and improving the overall spinning quality.

Finally, the machine performs **blending**, which homogenizes the fiber distribution, ensuring that the sliver is consistent and of high quality. This preparation ensures that the sliver is in the best possible condition for subsequent spinning processes.

8) SPEED FRAME

The **Speed Frame**, also known as the **Roving Frame**, is a crucial stage in the spinning process. It converts the sliver from the draw frame into a thinner, slightly twisted strand known as a **roving**, which is suitable for the next stage of spinning. One of its key functions is **drafting**, where the thickness of the sliver is reduced to the desired level by elongating it. This is followed by **twisting**, where a small amount of twist is imparted to the fiber strand, giving it enough strength to handle without breaking during further processing. Finally, the **winding** function wraps the roving onto bobbins, ensuring that it is properly prepared and ready for the **ring spinning** process. The roving produced in this stage is essential for achieving the final yarn, and the speed frame plays a key role in setting up the material for high-quality yarn production.

The **Speed Frame** is vital for producing rovings with controlled thickness and twist, laying the groundwork for efficient and quality yarn production.

9) RINGFRAME

The **Ring Frame** is the final machine in the spinning process, where the roving is transformed into yarn. This machine applies further **drafting**, **twisting**, and **winding** to produce a continuous, strong, and uniform thread suitable for weaving or knitting. The process begins with **drafting**, where the roving is further thinned to achieve the desired yarn thickness or count. Following that, **twisting** is applied to bind the fibers together, giving the yarn the necessary strength and elasticity. The yarn is then **wound** onto bobbins or spools, making it easier to handle and ready for further processing, such as weaving or knitting. Finally, the **tension control** system ensures that the correct tension is maintained throughout the spinning process, which is crucial for producing high-quality, even yarn. The ring frame plays a vital role in ensuring the final yarn meets the required standards for textile production.

The **Ring Frame** is essential for producing strong, smooth, and consistent yarn, making it a key machine in the spinning process for various textile applications.

10) LINKCONER AUTO WINDING

The **LinkConer Auto Winding machine** is an advanced automatic winding system used in the textile industry, primarily for winding yarn onto cones after it has been spun. It plays a crucial role in the final stage of yarn preparation, ensuring that the yarn is wound efficiently and uniformly, making it ready for further processing or use in textile production. One of the key functions of the machine is **winding**, where the yarn is transferred from bobbins or spools onto cones, ensuring even distribution and tight, uniform coils. It also features **automatic splicing**, which allows the machine to splice the yarn and continue winding seamlessly when a bobbin runs out, preventing interruptions in production. **Clearance and tension control** ensure that the yarn is wound with proper tension to avoid breakage or uneven winding. Some advanced models are equipped with **yarn quality monitoring**, where sensors detect and correct faults such as slubs or breaks. Finally, the machine forms the yarn into a conical shape, which is ideal for **package formation**, making it ready for subsequent dyeing, weaving, or other textile processes.

11) YARN CONDITIONING

Yarn conditioning is a post-processing treatment applied to yarn after it has been spun and wound onto cones or bobbins. The primary objective of yarn conditioning is to adjust the moisture content and ensure that the yarn is in optimal condition for subsequent processes like dyeing, weaving, or knitting.

The **yarn conditioning process** involves several key steps. First, **moisturizing** is carried out, where yarn is exposed to controlled moisture through steam or humidity. This is typically done by passing the yarn through a controlled steam chamber or a humidification unit. The next step, **relaxation**, allows the yarn to relax after the moisture treatment, helping to reduce internal tensions caused by twisting and drafting. This can be done using heat or mechanical methods. Finally, the yarn undergoes **cooling and drying**, where it is cooled and dried to stabilize its moisture content before it is wound into the final package or processed further. These steps ensure that the yarn is in the best possible condition for the next stages of textile production.

Yarn conditioning is crucial for preparing yarn for further textile operations, ensuring it maintains its quality, strength, and ease of processing throughout the manufacturing chain.

12) PACKING AND DISPATCH

Packing and Dispatch are the final stages in the yarn manufacturing process, where the yarn is carefully packaged and prepared for shipment to customers or textile manufacturers. This stage ensures that the product reaches the end user in optimal condition, ready for use in weaving, knitting, or other textile processes.

SWOT ANALYSIS

Strengths:

1. **Established Reputation:** Vivekanand Cotspin Limited likely has a reputation in the cotton spinning industry due to years of experience and consistent product quality.
2. **Quality Products:** The company may be known for producing quality cotton yarns, which can lead to customer loyalty and brand strength.
3. **Advanced Technology:** Investment in machinery, like automatic winding systems, ensures efficient production and the ability to keep up with industry trends.
4. **Skilled Workforce:** A dedicated and skilled workforce, along with employee development programs, supports operational efficiency and product quality.
5. **Supplier Relationships:** The company have partnerships with raw material suppliers, ensuring a steady and high-quality supply of cotton fibers.

Weaknesses:

1. **Dependence on Cotton Prices:** Fluctuating raw cotton prices can affect the cost of production, potentially impacting profitability.
2. **Energy-Intensive Operations:** Spinning operations are energy-intensive, which could lead to high operating costs, especially with fluctuating energy prices.
3. **Limited Market Diversification:** If the company has limited diversification, it could be vulnerable to industry-specific downturns or shifts in consumer demand.
4. **Geographic Limitations:** If the company has a limited geographic market, it may miss out on potential global opportunities.

Opportunities:

1. **Expansion into Global Markets:** By exploring new international markets, our company could capitalize on increasing demand for quality cotton yarns worldwide.
2. **Product Diversification:** The company could diversify its product line by offering value-added products like dyed or specialty yarns, catering to a broader customer base.
3. **Adoption of Sustainable Practices:** With growing demand for eco-friendly products, the company could adopt sustainable and ethical cotton sourcing practices, improving its brand image.
4. **Technological Advancements:** Further investments in automation and process optimization could lead to enhanced operational efficiency and cost reduction.

Threats:

1. **Raw Material Price Fluctuations:** Volatility in cotton prices, due to environmental factors or geopolitical issues, can have a direct impact on production costs.
2. **Intense Competition:** The cotton spinning industry is highly competitive, with numerous players offering similar products, which could lead to price pressures and margin reductions.
3. **Changing Consumer Preferences:** Shifting market preferences, such as a move toward synthetic fibers or changes in fashion trends, could impact demand for cotton-based products.
4. **Environmental Regulations:** Increasingly stringent environmental regulations could result in higher compliance costs or require significant investment in eco-friendly practices.

OUR CLIENT BASE

Our customer base is diverse, encompassing a wide range of local fabric producers, corporate buyers, and global markets. These customers represent various segments, each with distinct needs and preferences, which influences our product offerings and marketing strategies. Our customers' demands vary based on factors such as industry type, geographical location, and specific requirements for cotton yarn, shaping how we approach production and distribution.

We work closely with manufacturers, textile producers, and distributors who play a crucial role in ensuring our cotton yarn reaches the right market. By understanding the unique needs of different customer segments, we can tailor our products and services to meet specific demands or bulk production. Additionally, coordination with suppliers and logistics companies help us ensure timely delivery and cost-effective distribution. Through this collaborative approach, we maintain strong relationships with our customers, enabling us to cater to a broad and ever-evolving market.

The following table illustrates the concentration of our revenues among our top customers:

(₹ in Lakhs)

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 customer	524.57	28.93%	3,564.34	47.19%	13743.42	38.45%	14878.46	49.30%	10834.30	59.25%
Top 3 customer	1121.82	61.87%	5,756.40	76.21%	26054.82	72.89%	20019.00	66.34%	13015.94	71.18%
Top 5 customers	1393.45	76.85%	6,272.92	83.04%	27914.40	78.09%	22907.66	75.91%	14051.94	76.84%
Top 10 customers	1614.98	89.07%	6,883.36	91.12%	31400.01	87.84%	26297.63	87.14%	15627.92	85.46%

The following table illustrates the concentration of our purchase among our top suppliers:

(₹ in Lakhs)

Particular	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top 1 Supplier	509.09	29.07%	759.28	12.60%	3663.11	11.11%	20431.20	76.02%	10131.90	62.36%
Top 3 Suppliers	1318.02	75.25%	1,444.34	23.97%	7801.28	23.66%	23307.95	86.73%	13305.11	81.89%
Top 5 Suppliers	1561.89	89.17%	1,615.06	26.81%	9424.06	28.58%	24652.99	91.73%	14333.69	88.22%
Top 10 Suppliers	1720.32	98.22%	1,802.82	29.92%	11657.62	35.36%	25791.92	95.97%	15407.51	94.83%

OUR REVENUE DISTRIBUTION

PRODUCT WISE REVENUE DISTRIBUTION

(₹ in Lakhs)

Particulars	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Cotton Yarn	1366.53	75.37%	3243.40	42.94%	9741.74	27.25%	10377.24	34.39%	14419.71	78.86%
Cotton Bales	34.32	1.89%	2737.58	36.24%	21049.85	58.89%	18506.38	61.32%	2065.58	11.30%
Cotton Yarn Waste	123.75	6.83%	346.06	4.58%	1117.61	3.13%	851.07	2.82%	1025.64	5.61%
Cotton Seed	-	-	1100.69	14.57%	3375.51	9.44%	-	-	-	-
Others*	288.57	15.92%	126.10	1.67%	461.19	1.29%	443.78	1.47%	775.41	4.24%
Total	1813.17	100.00%	7553.83	100.00%	35745.91	100.00%	30178.47	100.00%	18286.34	100.00%

* Other includes sale of scrap waste and duty drawbacks etc.

REVENUE BIFURCATION BETWEEN MANUFACTURING AND TRADING:

Particulars	September 30, 2024	August 04, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Manufacturing	1606.12	5716.04	15803.88	9947.24	14981.19
Trading	207.05	1837.79	19942.03	20231.23	3305.16
Total Revenue from Operations	1813.17	7553.83	35745.91	30178.47	18286.34
Manufacturing %	88.58%	75.67%	44.21%	32.96%	81.93%
Trading %	11.42%	24.33%	55.79%	67.04%	18.07%

GEOGRAPHICAL WISE REVENUE DISTRIBUTION
Bifurcation of Revenue from International

(₹ in Lakhs)

Particulars	September 30, 2024		August 04, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
India	1,813.17	100.00%	7,421.38	98.25%	32,554.77	91.07%	29,203.64	96.77%	18,286.34	100.00%
Bangladesh	-	-	-	-	3,130.49	8.76%	974.83	3.23%	-	0.00%
Portugal	-	-	-	-	60.65	0.17%	-	-	-	-
China	-	-	132.45	1.75%	-	-	-	-	-	-
Total	1,813.17	100.00%	7,553.83	100.00%	35,745.91	100.00%	30,178.47	100.00%	18,286.34	100.00%

Bifurcation of Revenue from Domestic

(₹ in Lakhs)

Particulars	For The period ended				
	September 30, 2024	August 04, 2024	2023-24	2022-23	2021-22
Gujarat	1,802.07	7,383.88	31,993.27	28,981.91	18,239.13
Haryana	-	-	24.59	-	12.67
Madhya Pradesh	11.10	5.23	61.49	107.78	-
Maharashtra	-	-	415.55	-	17.02
Rajasthan	-	-	59.88	113.94	3.89
Punjab	-	-	-	-	13.63
Tamil Nadu	-	32.28	-	-	-
Total	1,813.17	7,421.38	32,554.77	29,203.64	18,286.34

OUR LOCATION

Registered Office & Manufacturing Unit	S/no 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujrat, India
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PLANT & MACHINERY

Brief details of major Plant and Machinery installed: -

Sr No.	Division	Machine	No. of Machines
1	Spinning	Bale Plucker	01
2	Spinning	Vario Clean	01
3	Spinning	Unimix(Line-1)	02
4	Spinning	Flexi Clean	02
5	Spinning	I Scan	02
6	Spinning	Condensor	02
7	Spinning	Sliver Can	264
8	Spinning	Sliver Can	145

9	Spinning	Sliver Can	1200
10	Spinning	Card	10
11	Spinning	Card	08
12	Spinning	Breaker	03
13	Spinning	Lap Farmer	03
14	Spinning	Lap Farmer Trolley	14
15	Spinning	Spool	122
16	Spinning	Comber	11
17	Spinning	Lfinisher	07
18	Spinning	Speed Frame	05
19	Spinning	Speed Frame Bobbin	33000
20	Spinning	Flat Clipping	1
21	Spinning	Flat Miling	1
22	Spinning	Flat Grinding	1
23	Spinning	Lickerin Maunting	1
24	Spinning	Flat Doffer Grinder	1
25	Spinning	Twis Grinder	1
26	Spinning	Hydrolik Trolley	
27	Spinning	Balling System	1
28	Spinning	Bobbin Transport	3
29	Spinning	Ring Frame	07
30	Spinning	Ring Frame	07
31	Spinning	Rf Empty	46600
32	Spinning	Winding	14
33	Spinning	Yarn Conditioner	01
34	Spinning	Straping Machine	01
35	Spinning	Luwa	01
36	Spinning	Ohtc	23
37	Spinning	Cot Grinding	2
38	Spinning	Spindle Oil	1
39	Spinning	Wrap Block	1
40	Spinning	Wrap Reel	1
41	Spinning	Csp	1
42	Spinning	Yarn Tester	1
43	Spinning	Cotton Tester	1
44	Spinning	Trash Seprator	1
45	Spinning	Tpi Tester	1
46	Ginning	Modern Double Roller Cotton Gin	32
47	Ginning	Trolley Feeding System	2
48	Ginning	Balling System	1

As certified by Vishal Shah, Chartered Engineer vide certificate dated January 22, 2025.

COLLABORATIONS/TIE UPS/ JOINT VENTURES

Except as disclosed in this Draft Red Herring Prospectus and those entered in the normal Course of business, we do not have any Collaborations/ Tie-Ups/ Joint Ventures as on the date of Draft Prospectus.

EXPORT AND EXPORT OBLIGATION

The Details of export as on the date of Draft Red Herring Prospectus is as follows:

Particulars	(₹ in Lakhs)				
	September 30, 2024	August 04, 2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
Bangladesh	-	-	3,130.49	974.83	-
Portugal	-	-	60.65	-	-
China	-	132.45	-	-	-
Total	-	132.45	3,191.15	974.83	-
% of Total Sales	-	1.75%	8.93%	3.23%	

Below are the details of the export obligation as on date of this Draft Red Herring Prospectus: -

(₹ in Lakhs)

Sr. No.	Obligation under	FOB Value
1.	Advance Authorisation Number 0811012517 Authorisation Date 30/08/2024 Export Validity 28/02/2026	836.03
Total		836.03

CAPACITY AND CAPACITY UTILIZATION

Name of Product	Total Capacity Installed (in ton)(Per Year)	30 th September 2024		2023-24		2022-23		2021-22	
		Total Production	Capacity Utilization (in %)	Total Production	Capacity Utilization (in %)	Total Production	Capacity Utilization (in %)	Total Production	Capacity Utilization (in %)
Cotton Yarn	4,550.51	1782.91*	78%	3703.28	81.38%	3291.59	72.33%	5248.82	115.35%#
Cotton Bales	8000.00	1956.93*	49%	6555.59	81.94%	-	-	-	-

*Total Capacity Installed for period ended September 30, 2024 (i.e. half yearly) for cotton yarn is 2275.25 tons and cotton bales is 4000 tons.

#Company has Estimated installed capacity for spinning unit on 30 count yarn. In year 2021-22, company manufactured coarse count i.e., 20-26 count yarn, hence installed capacity is more than 30 count yarn.

The ginning unit was rented out during the fiscal years 2021-22 and 2022-23, hence the capacity for such period is not applicable.

As certified by Vishal Shah, Chartered Engineer vide certificate dated January 22, 2025.

HEALTH, SAFETY AND ENVIRONMENT

Safety and environmental protection, together with quality and operating efficiency, are among our key success factors of any organization. The prevention of accidents is one of our foremost priorities. Whether in the workplace or outside it, every accident is preventable and every risk can be lowered. Management at all levels of the organization is responsible for creating the framework and implementing measures to promote awareness of safety and environmental issues. The implementation of our safety and environmental policy and the compliance with regulations is taken care at all levels of the organization. The safety goals and programs are developed as part of the medium-term planning process and regularly reviewed. Management evaluates the safety and environmental protection system and identifies any corrective measures to be taken. To help ensure effective implementation of our safety policies and practices, we identify potential hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavor to minimize any accidents at our manufacturing facilities.

INFRASTRUCTURE AND UTILITIES

1) Raw Material Availability

The primary raw material required for the production of ginned cotton is Kapas (raw cotton), while for cotton yarn production, ginned cotton is utilized. We source raw cotton from local suppliers, ensuring that our vendors meet key criteria such as material quality, price competitiveness, and timely delivery. The raw cotton is procured during the ginning season, which typically lasts six to eight months, depending on crop yields and export market conditions. Ginned cotton is primarily sourced from our in-house ginning unit, though in some cases, it is procured from local markets to supplement our requirements.

2) Power Supply

Our manufacturing facility's power needs are supplied by Uttar Gujarat Vij Company Limited (UGVCL) and installed solar system for captive consumption, ensuring a consistent and reliable energy supply to support our production processes.

3) Water Supply

Water is another essential utility for various processes in the ginning and spinning industry. The availability of water in this region is ensured through:

Adequate water sources are available on-site, and all water requirements for both the office and manufacturing areas are fully met by the existing water supply infrastructure.

LOGISTICS

As a manufacturer of cotton yarn and cotton bales, our company has developed a logistics and transportation network that ensures seamless procurement, efficient production, and timely delivery to both domestic and international markets. We source premium-quality raw cotton from Gujarat’s renowned Kadi and Saurashtra regions, known for their superior Shankar-6 cotton. Our farm-to-factory logistics involve direct procurement from farmers and agricultural mandis, transported by dedicated truck fleets to our processing units. Our in-house transportation facility, combined with third-party logistics providers, ensures seamless distribution and minimal disruptions.. For domestic distribution, we utilize a reliable road network to serve textile hubs across India. Internationally, we leverage Gujarat’s ports, such as Mundra and Pipavav, to efficiently export our products to markets like China, Bangladesh, Vietnam, Turkey, and Europe. Through our integrated logistics network, we offer cost-effective, reliable, and timely delivery, meeting customer demands worldwide with precision and efficiency.

SEASONALITY AND WEATHER CONDITIONS:

Our business is influenced by the seasonality of cotton production, as cotton is an agricultural commodity with specific harvesting periods. The availability of raw cotton fluctuates throughout the year, with peak supply occurring during harvest seasons. During off-seasons, procurement challenges may arise due to reduced supply, leading to potential price volatility and increased inventory costs.

Weather conditions play a crucial role in cotton cultivation, directly impacting crop yield and quality. Unpredictable factors such as unseasonal rainfall, droughts, temperature variations, and pest infestations can disrupt cotton production, affecting both supply and pricing. Such fluctuations may lead to higher procurement costs, production delays, or the need for alternative sourcing strategies.

INFORMATION TECHNOLOGY:

Our office is equipped with computer systems, servers, relevant software and other communication equipments, uninterrupted power supply, internet connectivity, which are required for our business operations to function smoothly.

TECHNICAL COLLABORATIONS/ PERFORMANCE GUARANTEE:

Our Company does not have any technical collaborations or performance guarantee as on the date of this Draft Red Herring Prospectus.

HUMAN RESOURCES

Our Company believes that our employees play a crucial role in our success within the cotton yarn industry. Our ability to sustain growth is directly linked to our capacity to attract, train, motivate, and retain top talent. We focus on bringing in individuals with the right skill sets, interests, and backgrounds that align with our specific business needs.

In an industry that demands precision and efficiency, we place great importance on providing ongoing training opportunities to enhance the skills of our workforce, from production staff to technical teams. This commitment to continuous development ensures that our employees are always equipped to meet the challenges of the evolving market. Furthermore, we prioritize employee engagement to maintain a positive and productive work environment, fostering a culture of dedication, collaboration, and innovation. By supporting our workforce in these ways, we ensure that they remain motivated and committed to delivering superior quality products for our customers.

As on September 30, 2024 our Company has 144 employees on payroll including KMP. Bifurcation is as follows:

Department	Number of Employees
Accounts	02
Administration Staff	26
Directors	04
Human Resource	01
Logistics	04

Skilled and Unskilled	98
Production	09
Total	144

SALES AND MARKETING

A significant portion of our production is dedicated to our spinning mill, while the remaining cotton bales are sold in the market. We are confident that the demand for our products, particularly cotton yarn, will remain strong in the years to come. Cotton bales and yarn are predominantly sold through brokers in the textile industry; however, we are working towards expanding our marketing strategy by incorporating a more direct approach, including direct customer engagement and a network of dealers/distributors. This new approach will enhance our sales reach and strengthen customer relationships.

The sales and marketing of our cotton yarn are driven by key factors such as product quality, easy availability, and competitive pricing. We believe that the success of our marketing efforts lies in the strength of the relationships we have built over the years. Many of our customers have been with us for a long time, which underscores the trust and quality we bring to the market.

Our marketing strategy is focused on both domestic and international markets. Our company, led by our promoters, has consistently emphasized the importance of maintaining strong, long-term relationships with our customers. As a result, we have established strong connections with textile mills, business houses, and brokers across the country.

MARKETING STRATEGY:

We plan to implement the following strategies for cotton yarn sales:

1. **Direct Sales to Hosiery Units:** Establishing direct relationships with hosiery manufacturers to cater to their specific yarn needs.
2. **Direct Sales to Textile Mills:** Engaging directly with textile mills to provide high-quality cotton yarn that meets their production requirements.
3. **Exports to Various Countries:** Expanding our reach by exporting cotton yarn to international markets, tapping into global demand.
4. **Sales through Brokers/Business Houses:** Continuing to leverage our existing relationships with brokers and business houses for broader market access.

This multi-pronged approach is designed to increase our market share, improve brand visibility, and ensure consistent revenue growth.

COMPETITION

Our company serves a wide range of customers, including local fabric producers and corporate buyers, in an intensely competitive and fragmented cotton yarn market. The company faces competition not only from smaller, local manufacturers but also from larger, well-established players. As part of its growth strategy, we aim to expand into new geographical regions across the globe, which brings additional challenges, as it will encounter competitors already entrenched in those markets. In response to this competitive landscape, the company is committed to maintaining a strong market position by focusing on key differentiators. These include producing high-quality cotton yarn that meets customer expectations, offering competitive pricing to provide value, and ensuring timely delivery of products to fulfill the specific requirements of customers. By focusing on these core elements, we intend to stay competitive and carve out a unique space in both local and international markets.

INSURANCE

The Details of Insurance taken by our Company is as follows:

S. No	Description	Risk Location	Policy Number	Issuing Company	Sum Assured	Premium	Date of Expiry
1.	M/s. Vivekanand Cotspin Private Limited	Survey No. 181/1, 182/1 Rangpurda Kadi Mahesana-382715 Gujarat	1518001124 9600000028	The New India Assurance Co. Ltd.	6,90,00,000/-	2,03,550/-	21/07/2024 to 20/07/2025
2.	M/s. Vivekanand Cotspin Private Limited	Survey No. 181/1, 182/1 Rangpurda Kadi	1518001124 0100000011	The New India	63,10,00,000/-	9,04,942/-	21/07/2024 to

		Mahesana-382715 Gujarat		Assurance Co. Ltd.			20/07/2025
3.	M/s. Vivekanand Cotspin LLP	Survey No. 181/1, 182/1 Rangpurda Kadi Mahesana-382715 Gujarat	1518001124 8700000059	The New India Assurance Co. Ltd.	4,00,00,000/ -	1,18,000/-	17/05/2024 to 16/05/2025
4.	M/s. Vivekanand Cotspin Private Limited	Survey No.181/1, 182/1 Rangpurda Kadi Mahesana-382715 Gujarat	OG-25- 2217-2802- 00000076	Bajaj Allianz General Insurance Company Limited	2,50,000/- Per Employee 150 Total Employees.	65,424/-	17/10/2024 to 16/10/2025
5.	M/s. Vivekanand Cotspin LLP	Survey No. 181/1, 182/1 Rangpurda Kadi Mahesana-382715 Gujarat	OG-25- 2217-4057- 00000004	Bajaj Allianz General Insurance Company Limited	17,00,00,000 /-	1,80,692/-	16/07/2024 to 15/07/2025

INTELLECTUAL PROPERTY

Trademarks registered/Objected/Abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Application number and Date	Owner	Authority	Current Status
1.	Device” VIVEKANAND COTSPIN” 	23	6815873 Dated January 21, 2025	M/s. Vivekanand Cotspin Limited	Trademark Registry, Ahmedabad	Formalities Check Pass

The details of the Domain name in the name of our Company: -

S. No	Domain Name	Registry Domain ID	Registrant Name and IANA ID	Creation Date	Registry Expiry Date
1.	https://www.vcottonexport.com/	Registry Domain ID: 1704670461_DOMAIN_COM -VRSN	Registrar: whois.PublicDomain Registry.com IANA ID: 303	February 29, 2012	February 28, 2025

IMMOVABLE PROPERTY

Details of our property are as follows: -

S. No.	Details of the Property	Licensor/ Lessor/Vendor	Lessee	Consideration/ Rental/ License Fees (in Rs.)	Owned/ Leased	Use
1.	Survey Number. 577, Survey Number. 181/1, Survey Number. 182/1, Mouje: Rangpurda, Taluka. Kadi, District Mehsana-Gujarat	Avadh Cotton industries acting through its shri Bharatbhai Praladbhai patel and shri Vishnubhai Praladdas Patel	M/s.Viveka nand Cotspin Private limited	Lease agreement dated November 27 ,2024 Lease period: 10 years. Effective August 05, 2024 to August 04, 2034	Leased	Registered Office and Manufacturing Unit

				Rent: Rs. 240000 /- per Annum		
2.	Survey Number. 895, Survey Number. 187/1, Mouje: Rangpurda, Taluka. Kadi, District Mehsana-Gujarat	Mr. Bharatbhai Prahladbhai Patel and Mr. Vishnubhai Prahaladdas	M/s. Vivekanand Cotspin Private limited	Lease agreement dated November 27, 2024 Lease period: 10 years. Effective from August 05, 2024 to August 04, 2034 Rent:- 2,40,000/- Per Annum	Leased	Adjoining property of manufacturing unit
3.	Khata No. 1894, Survey No. 29 Mouje Sami, Taluka. Sami, Sub-Dist. Sami District. Patan and Khata No. 1894, Survey No. 25/1 Mouje Sami, Ta. Sami, Sub-Dist. Sami District. Patan And Khata No. 1894, Survey No. 30 Mouje Sami, Taluka. Sami, Sub-Dist. Sami District. Patan	Ms. Ranjanben Patel W/o Bharatbhai Patel And Ms. Kapilaben Patel W/o Vishnubhai Patel	M/s. Vivekanand Cotspin Private limited	Lease agreement dated November 20, 2024 Lease period: 25 years. Effective from August 05, 2024 to August 04, 2049. Rent: Rs. 2, 40,000/- Per Annum.	Leased	Installed Solar Plant on this property
4.	Plot No. 15, Shed Number 02, GIDC, At & Post Dharab, Mundra, Kachchh, Gujarat, 370201	M/s. J.R. Roadline Private Limited	M/s. Vivekanand Cotspin Private Limited	Leave & License Agreement Dated October 01, 2024 Period Of License: 11 Months 29 Days	Leased	Warehouse

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 212 of this Draft Red Herring Prospectus.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Government has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

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. taken 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) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made there under. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

State Tax on Profession, Trades, Callings and Employment Rules, 1975

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

BUSINESS/TRADERELATEDLAWS/REGULATIONS

Technology Up-Gradation Fund Scheme

Ministry of Textiles has been implementing Technology Up-gradation Funds Scheme (“TUFS”) since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/capital subsidy/margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology up-gradation, cost effectiveness, quality production, efficiency and global competitiveness.

National Textile Policy, 2000

The National Textile Policy, 2000 (“NTP 2000”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market. NTP 2000 aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 include increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organized mill industries, power loom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards. Export specific reforms were also proposed in order to be consistent with World Trade Organization norms.

Ministry of Textiles is contemplating a New Textile Policy which has not been finalized and it is at draft stage. The New Textile Policy, inter alia, will give thrust on enhancing export performance and creating better employment opportunities. The New Textile Policy is being formulated by holding widespread consultations with various associations, industry bodies, State Governments and other stakeholders representing subsectors viz. Cotton, Silk, Jute Wool, Handloom, Handicrafts, Powerloom etc.

Production-Linked Incentive Scheme in Textiles Products

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹ 10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fiber.

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 (“TCS”) came into force on August 22, 1964. A textiles committee (“Textiles Committees”) has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee’s functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 (“Textile Order”) was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or tradename.

Consumer Protection (E-Commerce) Rules, 2020 (the “E-commerce Rules”)

The E-Commerce Rules regulate the marketing, sale and purchase of goods and services over a digital or electronic network. It restricts the use of any unfair trade practice by e-commerce entities and mandates the establishment of an adequate grievance redressal mechanism and the appointment of a grievance officer. Further, the E-Commerce Rules required all e-commerce entities to appoint a nodal person of contact or an alternate senior designated functionary to ensure compliance with its provisions. Contravention of the E-Commerce Rules will attract penal action in accordance with the Consumer Protection Act, 2019.

Draft National E-Commerce Policy 2019

Draft National E-Commerce Policy Prepared by Government of India addresses six broad areas of the e-commerce ecosystem viz. data, infrastructure development, e-commerce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through ecommerce. The Policy takes into account interests of all stakeholders including investors, manufacturers, MSMEs, traders, retailers, startups and consumers. The National E-Commerce Policy has been formulated with a vision to provide a level-playing field to all stakeholders, including the individual consumers and MSMEs and start-ups.

The Factories Act, 1948

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administrating factories situated in such states (“Factories Rules”). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register such factory. Separate license needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is prohibition on employing children below the age of 14 (fourteen) years in a factory.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 provides for the establishment of a national standards body for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto. The Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process, system or service by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to

represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process, system or service in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian Standard.

The Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

Cotton Control Order, 1986

The Cotton (Control) Order, 1986 (“Cotton Order”) prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulatory body. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

Cotton Bales (Quality Control) Order, 2023

The Cotton Bales (Quality Control) Order, 2023 mandates that all cotton bales produced or sold in India must adhere to the Indian Standard IS 12171:2019. This standard ensures the quality of cotton bales, requiring manufacturers to obtain certification from the Bureau of Indian Standards (BIS). The order was initially set to be enforced from August 27, 2023, but its implementation has been postponed multiple times. As per the latest amendment, the enforcement date is now extended to August 27, 2025. The postponements are largely due to challenges faced by the ginning industry, predominantly composed of Micro, Small, and Medium Enterprises (MSMEs). These enterprises have expressed concerns over the substantial investments required to upgrade machinery and processes to meet the stringent BIS standards. The extensions aim to provide these stakeholders with additional time to achieve compliance. It's important to note that the Quality Control Order does not apply to cotton bales intended for export, provided they meet the specifications required by the foreign buyer. However as per the Cotton Bales (Quality Control) Amendment Order, 2023 notified on August 13, 2024, the implementation of the order has been deferred till August 27, 2025.

The Textile Undertakings (Nationalization) Act, 1995

The Textile Undertakings (Nationalization) Act, 1995 was enacted to provide for the nationalization of textile undertakings. The Act provides for the acquisition of textile undertakings and the payment of compensation to the owners. The Act also lays down the procedure for the management and operation of the nationalized undertakings. The Act has the objective of developing the textile industry in India and ensuring that it contributes to the economic growth of the country.

The handlooms (Reservation of Articles for Production) Act, 1985

This Act provides for the reservation of certain articles for exclusive production by handlooms. It prohibits the production of articles exclusively reserved for handlooms, by other means. It gives the central government the power to summon information or samples of the textile articles as well as inspect and seize them. The Act includes a penalty for whoever produces articles or class of articles in contravention of an order. It mandates that entities/companies be punished when an offence under this Act has been committed. This Act included articles or class of articles reserved for exclusive production by handlooms based on a September 3, 2008 order of the Ministry of Textiles.

The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986

An Act to provide for the acquisition and transfer of certain textile undertakings of the Swadeshi Cotton Mills Company Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture, production and distribution of different varieties of cloth and yarn and thereby to give

effect to the policy of the State towards securing the principles specified in clauses (b) and (c) of article 39 of the Constitution and formatters connected therewith or incidental thereto.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

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 Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT 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 that were in force. The Government proposes to update the consolidated circular on FDI policy once every five years and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed there under:

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 of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. 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 FIF 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 and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services.

LAWS RELATED TO ENVIRONMENTAL LAWS

National Environmental Policy, 2006

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.

Environment (Protection) Act, 1986 as amended (“EPA”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

The Air (Prevention & Control of Pollution) Act, 1981(the “Air Act”)

One Central Pollution Control Board, as well as state pollution control boards formed under water act shall be deemed to be Central Board & State Board for the Prevention and Control of air Pollution. The Air Act prohibits that no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 made the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

Environment Impact Assessment Notification of 2006

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

LAWS RELATING TO INTELLECTUAL PROPERTY

Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Patents Act, 1970:

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

Code on Wages, 2019

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely– the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the "ESI Act")

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")

- Employees' Compensation Act, 1923
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,
- Contract Labour (Regulation and abolition) act, 1970
- Industrial Employment (Standing Order) Act, 1946
- Apprentices Act, 1961
- Weekly Holidays Act, 1942
- Payment Of Wages Act, 1936
- Equal Remuneration Act, 1976

OTHER GENERAL REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion;(b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

The Competition Act, 2002

The Competition Act, 2002 is a law in India that aims to: Promote competition in markets, Protect consumer interests, Ensure freedom of trade, Prevent practices that harm competition, and Promote economic development.

The act was passed by Parliament in 2002 and took effect on September 1, 2009. It replaced the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act). The act prohibits:Anti-competitive agreements; Abuse of dominant position by enterprises; Combinations (mergers, amalgamations, and acquisitions) that could have an adverse effect on competition. The act also established the: Competition Commission of India and Competition Appellate Tribunal.

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Other regulations:

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, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, Stamp Act of Relevant State and Indian Easements Act, 1882.

HISTORY AND CORPORATE STRUCTURE

Brief History and Background

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of “Vivekanand Cotspin LLP” pursuant to provisions of Limited Liability Partnership Act, 2008 (“LLP Act”), bearing registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style of “Vivekanand Cotspin Private Limited” pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General Meeting held on December 2, 2024 and consequently the name of our company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of our Company is U13111GJ2024PLC154066.

Our Company was originally promoted by Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr.Gautam Bharatkumar Patel who were the initial subscribers to the Company’s Memorandum and Articles of Association. Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr.Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust are the present promoters of our Company.

As on date of this Draft Red Herring Prospectus, our Company has 9 (Nine) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “Industry Overview”, “Business Overview”, “Our Management”, “Financial information of our company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 109, 130, 164, 188 , and 190 respectively.

Address of Registered Office:

The Registered Office of the Company is situated at S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana- 382715, Gujarat, India.

Changes in Registered Office of the Company since incorporation

There has not been any change in our Registered Office since incorporation till date of this Draft Red Herring Prospectus except below change:

From	To	With effect from	Reason for Change
S/No 182/1, At Rangpurda, Kadi, Mahesana- 382715, Gujarat, India.	S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana- 382715 , Gujarat, India	November 15, 2024	For Administrative Convenience

Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

To carry on in India or elsewhere the business to manufacture, to export, to pack or to repack, to deal with ginning, spinning and textile bases all value added products and processes and also to hedge, to trade in agro based value added products and any other business, in any other manner, including ancillary business as may be decided.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Conversion of Company into Public Limited Company and change in name of	December 2, 2024	Extra-Ordinary General Meeting

	company from Vivekanand Cotspin Private Limited to Vivekanand Cotspin Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Central Registration Centre dated December 16, 2024		
2.	Increase in Authorized Share Capital of the Company from Rs. 15,00,00,000 (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 25,00,00,000 (Rupees Twenty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs. 10/- (Rupees Ten only) each.	January 17, 2025	Extra-Ordinary General Meeting

Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra Ordinary General Meeting of the Company dated December 2, 2024 and further altered this in Extra Ordinary General Meeting dated January 17, 2025.

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2015-16	Formed as a Limited Liability Partnership Firm in the name and style of “ <i>Vivekanand Cotspin LLP</i> ”
2024-25	Conversion of Limited Liability Partnership Firm into Private Limited Company in the name and style of “ <i>Vivekanand Cotspin Private Limited</i> ”
2024-25	Converted into Public Limited Company in the name and style of “ <i>Vivekanand Cotspin Limited</i> ”

Other Details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 130, 190 and 98 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “Our Management” and “Capital Structure” beginning on pages 164 and **Error! Bookmark not defined.** of this Draft Red Herring Prospectus respectively.

Acquisition of Business/Undertakings & Amalgamation

Except as disclosed in this Draft Red Herring Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

Holding Company

As on the date of this Draft Red Herring Prospectus, there is no holding company of our Company.

Subsidiary of our Company

As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.

Associate Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any Associate Company.

Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus. For details of our Company’s debt facilities, please refer section “Financial Information of our Company” on page 188 of this Draft Red Herring Prospectus.

Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.

Revaluation of Assets

Our Company has not revalued its assets since incorporation

Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Red Herring Prospectus. Furthermore, except as disclosed in chapter titled “Capital Structure” beginning on Page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

Lock-out or strikes

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

Shareholders of our Company:

Our Company has 9 (Nine) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Changes in the Management

For details of change in Management, please see chapter titled “Our Management” on page 164 of this Draft Red Herring Prospectus.

Changes in activities of our Company during the last five (5) years

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “Management’s discussion and analysis of financial conditions & results of operations” beginning on page 190 of this Draft Red Herring Prospectus.

Shareholders Agreement

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreements among our Shareholders vis-a-vis our Company, which our Company is aware of.

Collaboration Agreements

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

Material Agreement

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

OTHER AGREEMENTS

Non-Compete Agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

Joint Venture Agreement

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

Strategic Partners

Except as mentioned in this Draft Red Herring Prospectus, Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus.

Corporate Profile of our Company

For details on the description of our Company's activities, the growth of our Company, please see "Business Overview", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis of Issue Price" on pages 130, 190 and 98 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors: As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company has Six (6) directors comprising, Two (2) Executive Directors and (4) Four Non-Executive Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

S.No	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
1.	<p>Mr. Nirav Bharatbhai Patel Father Name: Bharatbhai Prahaladbhai Patel Date of Birth: April 1, 1986 Age: 39 Years Designation: Chairman & Managing Director Address: 12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India Experience: 13 Years Occupation: Business Qualifications: Higher Secondary Education Nationality: Indian DIN: 02055489</p>	<p>Originally appointed on the Board as Director w.e.f. August 05, 2024</p> <p>Further Re-designated as Chairman and Managing Director for a period of five years w.e.f, January 17, 2025 not liable to be retire by rotation.</p>	<p>30,00,000 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital</p>	<p>Indian Companies-</p> <ul style="list-style-type: none"> ➤ Ambica Cotseeds Limited ➤ Giocert Ventures and Innovations Private Limited <p>Foreign Companies- Nil</p>
2.	<p>Mr. Jasmin Vishnubhai Patel Father Name: Vishnubhai Prahaladdas Patel Date of Birth: November 30, 1992 Age: 32 Years Designation: Whole Time Director Address: 12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India Experience: 5 Years Occupation: Business Qualifications: Bachelor of Engineering (Textile Technology) Nationality: Indian DIN: 06923150</p>	<p>Originally appointed on the Board as Additional Director w.e.f November 15, 2024</p> <p>Further Re-designated as Whole Time Director for a period of five years w.e.f, January 17, 2025 liable to be retire by rotation.</p>	<p>30,00,000 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> ➤ Jain Finscap Private Limited ➤ Giocert Ventures and Innovations Private Limited <p>Foreign Companies- Nil</p>

S.No	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
3.	<p>Mr. Bharatbhai Prahaladbhai Patel Father Name: Late Prahaladbhai Chimanlal Patel Date of Birth: June 1, 1962 Age: 62 Years Designation: Non-Executive Director Address: 12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India Experience: 13 Years Occupation: Business Qualifications: Higher Secondary Education Nationality: Indian DIN: 00377202</p>	<p>Originally appointed on the Board as an Additional Director w.e.f January 17, 2025</p> <p>Further regularised as Non-Executive Director w.e.f January 17, 2025.</p>	<p>29,99,800 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> ➤ Ambica Cotseeds Limited <p>Foreign Companies- Nil</p>
4.	<p>Mr. Vishnubhai Prahaladdas Patel Father Name: Late Prahaladbhai Chimanlal Patel Date of Birth: June 1, 1968 Age: 56 Years Designation: Non-Executive Director Address: 12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat- 382715, India Experience: 13. Years Occupation: Business Qualifications: Secondary Education Nationality: Indian DIN: 00375791</p>	<p>Originally appointed on the Board as Director(Executive) w.e.f. August 05, 2024</p> <p>Further reappointed as Director (Non-Executive) w.e.f. January 17, 2025</p>	<p>29,99,800 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> ➤ Ambica Cotseeds Limited ➤ Mahatma Hotels LLP <p>Foreign Companies: Nil</p>
5.	<p>Mr. Sandeep Kumar Likhmania Father Name: Murari Lal Likhmania Date of Birth: July 15, 1985 Age: 39 Years Designation: Non-Executive Independent Director Address: UGF-D, Plot No 67-68, Shakti Enclave, Burari, North Delhi, Delhi 110084, India Experience: 09 Years Occupation: Service Qualifications: Company Secretary, Master of Commerce Nationality: Indian DIN: 03592714</p>	<p>Appointed as an Additional Independent Director w.e.f. January 17, 2025.</p> <p>Further regularised as Non-Executive Independent Director w.e.f January 17, 2025 for 5 Years and shall not be liable to retire by rotation</p>	<p>Nil</p>	<p>Indian Companies- Nil</p> <p>Foreign Companies- Nil</p>
6.	<p>Mrs. Neha Agarwal Father Name: Puran Mal Agarwal Date of Birth: July 17, 1991 Age: 32 Years Designation: Non-Executive Independent Director Address: Plot No. B-81, Pink House, Arya Nagar, Extension Road No. 1, Murlipura, Jaipur- 302039, Rajasthan, India Experience: 09 Years Occupation: Business</p>	<p>Appointed as an Additional Independent Director w.e.f. January 17, 2025.</p> <p>Further regularised as Non-Executive Independent Director w.e.f January 17, 2025</p>	<p>Nil</p>	<p>Indian Companies:</p> <ul style="list-style-type: none"> ➤ Ramala Ventures Private Limited ➤ Binding Projects Private Limited ➤ Pink City Dream Homes Private Limited <p>Foreign Companies- Nil</p>

S.No	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
	Qualifications: Master of Commerce Nationality: Indian DIN: 10121219	for 5 Years and shall not be liable to retire by rotation		

BRIEF PROFILE OF OUR DIRECTORS

1. Mr. Nirav Bharatbhai Patel, Chairman & Managing Director, Age: 39 Years

Mr. Nirav Bharatbhai Patel, aged 39 years is Chairman and Managing Director and also the Promoter of our Company. He was appointed on the Board on August 05, 2024 as Director and further designated as Chairman and Managing director for a period of 5 years w.e.f. January 17, 2025, not liable to be retire by rotation. He was the designated partner in Vivekanand Cotspin LLP since incorporation and was actively involved in the affairs of the LLP prior to the conversion. He holds degree of Higher Secondary Education and has experience of 13 years in cotton ginning and spinning industry.

He has been instrumental in the growth and expansion of the company since its inception. During his tenure he has demonstrated exceptional leadership, strategic foresight and an unwavering commitment to the organization's growth and success. He is instrumental in driving key business initiatives, formulating effective strategies, and ensuring the smooth functioning of all departments. His entrepreneurial spirit and dedication drove the business forward, laying the foundation for significant growth and diversification. He is highly skilled in strategic planning, resource management, and cultivating strong client and supplier relationships to achieve organizational goals.

With a vision for innovation, he is actively involved in expanding the company's operations. His ability to lead diverse teams, foster innovation and maintain high ethical standards has been truly commendable. He has consistently displayed professionalism, dedication and a visionary approach, making them an invaluable asset to the Company.

2. Mr. Jasmin Vishnubhai Patel , Whole Time Director, Age: 32 Years

Mr. Jasmin Vishnubhai Patel, aged 32 years is Whole Time Director and Promoter our Company. He was appointed on the Board on November 15, 2024 as an additional Director and further designated as Whole Time director for a period of 5 years w.e.f. January 17, 2025, liable to be retire by rotation. He holds degree of Bachelor of Engineering (Textile Technology). He has 5 years of rich experience in cotton ginning and spinning industry.

He is a dynamic entrepreneur and was actively involved with in the affairs of the Vivekanand Cotspin LLP as a partner since 2015 prior to the conversion into Vivekanand Cotspin Limited. During his tenure he has demonstrated expertise in operational management, quality assurance, and technical innovation to enhance production processes and achieve business objectives. Currently, he oversees the operations of Company, ensuring that the plant runs efficiently and meets the highest standards of quality and productivity.

His leadership focuses on optimizing production processes and embracing innovative practices in the cotton industry. He possesses excellent technical knowledge of textiles and textile engineering. With extensive experience in the textile and manufacturing sector, he has played a crucial role in strengthening the company's operations, enhancing production efficiency, and ensuring high-quality cotton processing. Under his leadership, Vivekanand Cotspin has expanded its market presence and adopted modern technological advancements to improve productivity. With a strong focus on innovation, sustainability, and business growth, he continues to drive Vivekanand Cotspin Limited towards greater success and industry excellence.

3. Mr. Bharatbhai Prahaladbhai Patel; Non-Executive Director, Age: 62 Years

Mr. Bharatbhai Prahaladbhai Patel, aged 62 years is Non-Executive Director and Promoter our Company. He was appointed on the Board on January 17, 2025 as a Director. He holds degree of Higher Secondary Education. He has 13 years of rich experience in cotton ginning and spinning industry.

He was actively involved with in the affairs of the Vivekanand Cotspin LLP as a partner since 2015 prior to the conversion into Vivekanand Cotspin Limited. He has been instrumental in shaping the company's growth, implementing advanced manufacturing processes, and ensuring high standards in cotton production. He possesses expertise in quality production,

manpower management, machine processes, and machine-making. Known for solving complex machine issues and ensuring efficient operations, Bharatbhai Patel is committed to driving excellence in every aspect of business operations.

His expertise in the cotton sector has helped Company to establish itself as a reputed name in the industry. With years of experience in business operations, supply chain management, and strategic planning, Mr. Bharatbhai Prahaladbhai Patel has contributed significantly to the company's expansion and reputation. Under his guidance, Vivekanand Cotspin has adopted modern technology, sustainable production methods, and efficient management practices to enhance productivity and quality. His entrepreneurial vision, commitment to innovation, and strategic decision-making continue to drive Vivekanand Cotspin towards greater success and sustainability in the competitive textile market.

4. Mr. Vishnubhai Prahaladdas Patel, Non-Executive Director, Age: 56 Years

Mr. Vishnubhai Prahaladdas Patel, aged 56 years is Non-Executive Director and Promoter our Company. He was appointed on the Board on August 05, 2024 as an Executive Director and resigned from the post of Executive Director on January 17, 2025 and reappointed as an Non-Executive Director on the same day. He was the designated partner in Vivekanand Cotspin LLP since incorporation and was actively involved in the affairs of the LLP prior to the conversion. He holds degree of Secondary Education. He has 13 years of rich experience in cotton ginning and spinning industry.

With years of experience in the textile sector, he has been instrumental in driving the company's strategic direction and overseeing its growth in the highly competitive cotton industry. His expertise lies in quality control, production optimization, and process management, which has enabled Vivekanand Cotspin to maintain high standards in its operations. His leadership has also been crucial in embracing sustainable practices, ensuring that the company aligns with industry best practices for eco-friendly production. His extensive experience and vision continue to influence the company's strategic initiatives, helping it stay ahead of industry trends and meet the evolving demands of the textile market. His leadership style reflects a strong commitment to excellence, innovation, and operational efficiency.

5. Mr. Sandeep Kumar Likhmania, Non-Executive Independent Director, Age: 39 Years

Mr. Sandeep Kumar Likhmania, aged 39 years is Non-Executive and Independent Director of our Company. He was appointed on the Board as Independent Director w.e.f January 17, 2025 for a period of 5 years and shall not be liable to retire by rotation. He is a member of the Institute of Company Secretaries of India (ICSI). He has around 09 years of Professional experience. His professional experience combines strong legal expertise and corporate governance knowledge, making him an invaluable asset to the company's board.

6. Mrs. Neha Agarwal, Non-Executive Independent Director, Age: 32 years

Mrs. Neha Agarwal, aged 32 years is Non-Executive and Independent Director of our Company. She was appointed on the Board as Independent Director w.e.f January 17, 2025 for a period of 5 years and shall not be liable to retire by rotation. She holds a degree of Master of Commerce (M.Com). She has around 09 years of experience in the field of accounts and finance. In her role as an independent director, she is responsible for ensuring that the Company adheres to high standards of corporate governance, transparency, and regulatory compliance. Her contributions include providing unbiased opinions on the company's strategic decisions, risk management policies, and financial oversight.

Her position adds significant value to the governance framework of Vivekanand Cotspin Limited, ensuring its long-term success while maintaining transparency and accountability to stakeholders.

Confirmations

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters or fraudulent borrower as on the date of filling of this Draft Red Herring Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoters of our company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 204 of this Draft Red Herring Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

Nature of any family relationship between any of our Directors:

Except as given below none of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

Sr. No.	Name of Director	Nature of Relationship
1.	Mr. Nirav Bharatbhai Patel	Son of Mr. Bharatbhai Prahaladbhai Patel
2.	Mr. Jasmin Vishnubhai Patel	Son of Mr. Vishnubhai Prahaladdas Patel
3.	Mr. Bharatbhai Prahaladbhai Patel	Brother of Mr. Vishnubhai Prahaladdas Patel Father of Mr. Nirav Bharatbhai Patel
4.	Mr. Vishnubhai Prahaladdas Patel	Brother of Mr. Bharatbhai Prahaladbhai Patel Father of Mr. Jasmin Vishnubhai Patel

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on January 17, 2025 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees One hundred Crores only).

Compensation of our Managing Director and Whole Time Directors

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Director:

Particulars	Mr. Nirav Bharatbhai Patel	Mr. Jasmin Vishnubhai Patel
Re-Appointment / Change in Designation	January 17, 2025	January 17, 2025
Designation	Chairman and Managing Director	Whole Time Director
Term of Appointment	5 Years	5 Years
Remuneration Payable from FY 2024-25	Upto ₹30 Lakhs per annum	Upto ₹30 Lakhs per annum
Remuneration paid for Year 2023-24	NIL	NIL

**Our company does not have any Subsidiary Company.*

**During the previous financial year our company was registered as a LLP which was subsequently converted to a private limited company on August 5, 2024 hence no remuneration was paid in previous financial year.*

Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit-sharing plan for our Directors.

Sitting Fee

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated January 17, 2025 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20.00
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20.00
3.	Mr. Bharatbhai Prahaladbhai Patel	29,99,800	20.00
4.	Mr. Vishnubhai Prahaladdas Patel	29,99,800	20.00

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 164 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested to their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives.

Further our director may also be interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

Our Directors Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel and Mr. Vishnubhai Prahaladdas Patel have provided personal guarantees to secure our existing borrowings from our lenders.

All 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 firm in which they are partners.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled “Restated Financial Statement - Related Party Transactions” beginning on page 164 and 188 respectively of this Draft Red herring Prospectus, and except to the extent of shareholding in our Company, our directors do not have any other interest in our business.

Interest in the property of Our Company

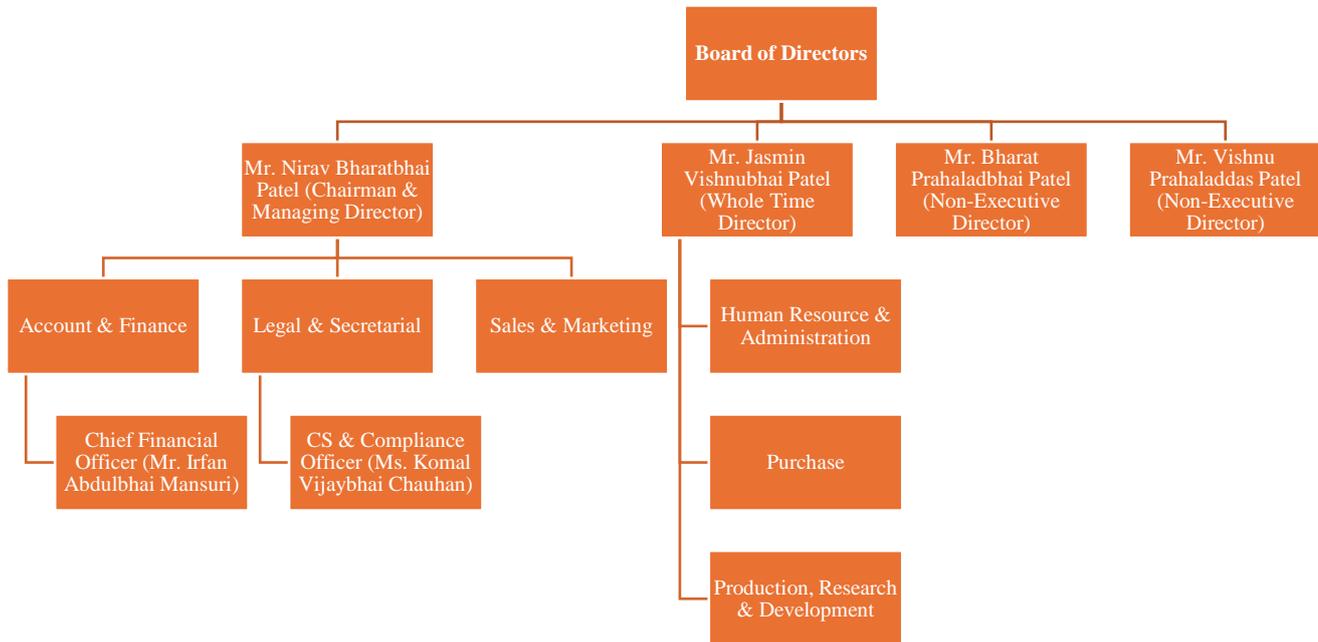
Except as disclosed above and in the chapters titled “Business Overview” and “Restated Financial Statement –Related Party Transactions” and “History and Corporate Structure” on page 130, 188 and 160 respectively of this Draft Red Herring Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Red Herring Prospectus.

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Nirav Bharatbhai Patel	Appointed as Chairman & Managing Director w.e.f. January 17, 2025	To ensure better Corporate Governance
2.	Mr. Jasmin Vishnubhai Patel	Appointed as an Additional Director w.e.f. November 15, 2024. Appointed as Whole Time Director w.e.f. January 17, 2025	To ensure better Corporate Governance
3.	Mr. Bharatbhai Prahaladbhai Patel	Appointed as an Additional Director on January 17, 2025 Regularisation as Non- Executive Director w.e.f. January 17, 2025	To ensure better Corporate Governance
4.	Mr. Vishnubhai Prahaladdas Patel	Cessation from the post of Executive Director w.e.f. January 17, 2025	Resignation
		Appointed as an Additional Director on January 17, 2025 Regularisation as Non- Executive Director w.e.f. January 17, 2025	To ensure better Corporate Governance
5.	Mr. Sandeep Kumar Likhamania	Appointed as an Additional Director w.e.f. January 17, 2025	To ensure better Corporate Governance
		Regularisation as Non-Executive Independent Director w.e.f. January 17, 2025	
6.	Mrs. Neha Agarwal	Appointed as an Additional Director w.e.f. January 17, 2025	To ensure better Corporate Governance
		Regularisation as Non-Executive Independent Director w.e.f. January 17, 2025	

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on the SME Platform of National Stock Exchange of India Limited. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated January 22, 2025 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of National Stock Exchange of India Limited, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Neha Agarwal	Chairman	Non-Executive Independent Director
Mr. Sandeep Kumar Likhmania	Member	Non-Executive Independent Director
Mr. Nirav Bharatbhai Patel	Member	Chairman and Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
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 auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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 of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;

22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by 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:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated January 22, 2025. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Neha Agarwal	Chairman	Non-Executive Independent Director
Mr. Sandeep Kumar Likhmania	Member	Non-Executive Independent Director
Mr. Nirav Bharatbhai Patel	Member	Chairman and Managing Director
Mr. Jasmin Vishnubhai Patel	Member	Whole-Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.

- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated January 22, 2025. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sandeep Kumar Likhmania	Chairman	Non-Executive Independent Director
Mrs. Neha Agarwal	Member	Non-Executive Independent Director
Mr. Bharatbhai Prahaladbhai Patel	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of National Stock Exchange of India Limited. The Board of Directors at their meeting held on January 18, 2025 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Our Key Managerial Personnel

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Year)	Date of joining as KMP	Compensation paid for the F.Y ended 2024 (in Rs Lakhs)	Over all experience (in years)	Previous employment
Name: Mr. Nirav Bharatbhai Patel Designation: Chairman & Managing Director Qualification: Higher Secondary Education	39	Chairman and Managing Director w.e.f. January 17, 2025	Not Applicable	13 Years	Vivekanand Cotspin LLP*
Name: Mr. Jasmin Vishnubhai Patel Designation: Whole Time Director Qualification: Bachelor of Engineering (Textile Technology)	32	Whole Time Director w.e.f. January 17, 2025	Not Applicable	5 Years	Vivekanand Cotspin LLP*
Name: Mr. Irfan Abdulbhai Mansuri Designation: Chief Financial Officer Qualification: Chartered Accountant	37	Chief Financial Officer January 17, 2025	Not Applicable	12 Years	M.M.Group of Companies
Name: Ms. Komal Vijaybhai Chauhan Designation: Company Secretary & Compliance Officer Qualification: Company Secretary, LLB and B.com	30	Company Secretary w.e.f January 17, 2025	Not Applicable	2.5 Years	Shree Krishna Infrastructure Limited

* Mr. Nirav Bharatbhai Patel and Mr. Jasmin Vishnubhai Patel were partners in Vivekanand Cotspin LLP

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Nirav Bharatbhai Patel, Chairman & Managing Director, Age: 39 Years

Mr. Nirav Bharatbhai Patel, aged 39 years is Chairman and Managing Director and also the Promoter of our Company. He was appointed on the Board on August 05, 2024 as Director and further designated as Chairman and Managing director for a period of 5 years w.e.f. January 17, 2025, not liable to be retire by rotation. He was the designated partner in Vivekanand Cotspin LLP since incorporation and was actively involved in the affairs of the LLP prior to the conversion. He holds degree of Higher Secondary Education and has experience of 13 years in cotton ginning and spinning industry.

He has been instrumental in the growth and expansion of the company since its inception. During his tenure he has demonstrated exceptional leadership, strategic foresight and an unwavering commitment to the organization’s growth and success. He is instrumental in driving key business initiatives, formulating effective strategies, and ensuring the smooth functioning of all departments. His entrepreneurial spirit and dedication drove the business forward, laying the foundation for significant growth and diversification. He is highly skilled in strategic planning, resource management, and cultivating strong client and supplier relationships to achieve organizational goals.

With a vision for innovation, he is actively involved in expanding the company’s operations. His ability to lead diverse teams, foster innovation and maintain high ethical standards has been truly commendable. He has consistently displayed professionalism, dedication and a visionary approach, making them an invaluable asset to the Company.

2. Mr. Jasmin Vishnubhai Patel , Whole Time Director, Age: 32 Years

Mr. Jasmin Vishnubhai Patel, aged 32 years is Whole Time Director and Promoter our Company. He was appointed on the Board on November 15, 2024 as an additional Director and further designated as Whole Time director for a period of 5 years w.e.f. January 17, 2025, liable to be retire by rotation. He holds degree of Bachelor of Engineering (Textile Technology). He has 5 years of rich experience in cotton ginning and spinning industry.

He is a dynamic entrepreneur and was actively involved with in the affairs of the Vivekanand Cotspin LLP as a partner since 2015 prior to the conversion into Vivekanand Cotspin Limited. During his tenure he has demonstrated expertise in operational management, quality assurance, and technical innovation to enhance production processes and achieve business objectives. Currently, he oversees the operations of Company, ensuring that the plant runs efficiently and meets the highest standards of quality and productivity.

His leadership focuses on optimizing production processes and embracing innovative practices in the cotton industry. He possesses excellent technical knowledge of textiles and textile engineering. With extensive experience in the textile and manufacturing sector, he has played a crucial role in strengthening the company’s operations, enhancing production efficiency, and ensuring high-quality cotton processing. Under his leadership, Vivekanand Cotspin has expanded its market presence and adopted modern technological advancements to improve productivity. With a strong focus on innovation, sustainability, and business growth, he continues to drive Vivekanand Cotspin Limited towards greater success and industry excellence.

3. Mr. Irfan Abdulbhai Mansuri, Chief Financial Officer, Age: 37 Years

Mr. Irfan Abdulbhai Mansuri is the Company Financial Officer of our Company. He is a Chartered Accountant. He was appointed as Chief Financial Officer of our Company on January 17, 2025. He has experience of 12 years in the field of accounting and finance related work. He is responsible for overseeing all finance-related functions within the company, ensuring effective financial management and reporting. His role encompasses managing financial operations, budgeting, and compliance, contributing to the company’s financial stability and strategic planning.

4. Ms. Komal Vijaybhai Chauhan, Company Secretary & Compliance Officer, Age: 30 Years

Ms. Komal Vijaybhai Chauhan is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and also holds degree of LL.B. She was appointed as Company Secretary and Compliance Officer of our Company on January 17, 2025. She has experience of 2.5 years in the field of secretarial and corporate law compliances. She plays a critical role in overseeing the company’s corporate governance and ensuring adherence to regulatory requirements. She is responsible for managing all aspects of secretarial compliance and corporate governance, contributing to the company’s adherence to legal and regulatory standards.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Nirav Bharatbhai Patel and Mr. Jasmin Vishnubhai Patel are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the stub period ended September 30, 2024.
- e. Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Mr. Nirav Bharatbhai Patel	30,00,000	20
2.	Mr. Jasmin Vishnubhai Patel	30,00,000	20

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuities, ex-gratia/rewards.

Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Nirav Bharatbhai Patel	Chairman and Managing Director	Appointed as Chairman and Managing Director w.e.f. January 17, 2025	To ensure better Corporate Governance
2.	Mr. Jasmin Vishnubhai Patel	Whole Time Director	Appointed as Whole Time Director w.e.f. January 17, 2025	To ensure better Corporate Governance
3.	Mr. Irfan Abdulbhai Mansuri	Chief Financial Officer	Appointed as Chief Financial Officer w.e.f., January 17, 2025	To ensure better Corporate Governance
4.	Ms. Komal Vijaybhai Chauhan	Company Secretary & Compliance Officer	Appointed as Company Secretary & Compliance Officer w.e.f January 17, 2025	To ensure better Corporate Governance

INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Except as provided in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “Annexure IX - Statement of Related Party Transaction” under chapter “Restated Financial Statement” on page 188 of this Draft Red Herring Prospectus.

OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL

Except as stated in this Draft Red Herring Prospectus, there are no other benefits payable to our Key Managerial Personnel.

EMPLOYEES

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — Business Overview beginning on page 130 of this Draft Red Herring Prospectus.

OUR PROMOTERS & PROMOTER GROUP

Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust are the promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust and are holding 1,49,99,800 Equity Shares which constitute 100% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

Details of our Individual Promoters: -

	Mr. Nirav Bharatbhai Patel, Chairman & Managing Director	
	Qualification	Higher Secondary Education
	Date of Birth	01/04/1986
	Age	39 Years
	Address	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat-382715, India
	Experience	13 Years
	Occupation	Business
	Permanent Account Number	AYEPP6780A
	Passport Number	Z3519492
	Driving License Number	GJ02 20040011235
	No. of Equity Shares held in VCL[% of Shareholding (Pre-Issue)]	30,00,000 Equity Shares of ₹ 10 each; 20% of Pre-Issue Paid Up Capital
	DIN	02055489
	Other Interests	<p>Companies/LLP:</p> <ul style="list-style-type: none"> ➤ Ambica Cotseeds Limited ➤ Giocert Ventures and Innovations Private Limited <p>Partnership Firm(s):</p> <ul style="list-style-type: none"> ➤ Balaji Oil Mill Ginning & Pressing Factory ➤ Vivekanand Industries ➤ Shantam Buildcom <p>HUF:</p> <ul style="list-style-type: none"> ➤ Patel Prahaladbhai Chimanlal HUF (Member) <p>Trust:</p> <ul style="list-style-type: none"> ➤ B P Patel Family Trust (Beneficiary)
	Mr. Jasmin Vishnubhai Patel, Whole Time Director	
Qualification	Bachelor of Engineering (Textile Technology)	
Date of Birth	30/11/1992	
Age	32 Years	
Address	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat-382715, India	
Experience	5 Years	
Occupation	Business	

	Permanent Account Number	BPEPP7506N
	Passport Number	X5123678
	Driving License Number	GJ02 20110000370
	No. of Equity Shares held in VCL [% of Shareholding (Pre Issue)]	30,00,000 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital
	DIN	06923150
	Other Interests	<p>Companies/LLP:</p> <ul style="list-style-type: none"> ➤ Jain Finscap Private Limited ➤ Giocert Ventures and Innovations Private Limited <p>Partnership Firm</p> <ul style="list-style-type: none"> ➤ Vivekanand Industries ➤ Balaji Oil Mill Ginning & Pressing Factory <p>HUF:</p> <ul style="list-style-type: none"> ➤ Patel Pahaladbhai Chimanlal HUF (Member) <p>Trust:</p> <ul style="list-style-type: none"> ➤ V P Patel Family Trust (Beneficiary)
	Mr. Bharatbhai Pahaladbhai Patel, Non- Executive Director	
	Qualification	Higher Secondary Education
	Date of Birth	01/06/1962
	Age	62 Years
	Address	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat-382715, India
	Experience	13 Years
	Occupation	Business
	Permanent Account Number	ABRPP7924N
	Passport Number	T3762171
	Driving License Number	GJ02 19920108032
	No. of Equity Shares held in VCL [% of Shareholding (Pre Issue)]	29,99,800 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital
	DIN	00377202
	Other Interests	<p>Companies/LLP:</p> <ul style="list-style-type: none"> ➤ Ambica Cotseeds Limited <p>Partnership Firm(s):</p> <ul style="list-style-type: none"> ➤ Vivekanand Industries ➤ Avadh Cotton Industries ➤ Balaji Oil Mill Ginning & Pressing Factory <p>HUF:</p> <ul style="list-style-type: none"> ➤ Patel Pahaladbhai Chimanlal HUF (Karta)

		Trust: ➤ B P Patel Family Trust (Trustee)
	Mr. Vishnubhai Prahaladdas Patel, Non-Executive Director	
	Qualification	Secondary Education
	Date of Birth	01/06/1968
	Age	56 Years
	Address	12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat-382715, India
	Experience	13 Years
	Occupation	Business
	Permanent Account Number	ABRPP8467G
	Passport Number	R1661690
	Driving License Number	GJ02 19900008033
	No. of Equity Shares held in VCL [% of Shareholding (Pre Issue)]	29,99,800 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital
	DIN	00375791
	Other Interests	Companies/LLP: ➤ Ambica Cotseeds Limited ➤ Mahatma Hotels LLP Partnership Firm(s) ➤ Avadh Cotton Industries ➤ Vivekanand Industries ➤ Nirav Investments ➤ Balaji Oil Mill Ginning & Pressing Factory HUF: ➤ Patel Prahaladbhai Chimanlal HUF(Member) Trust: ➤ V P Patel Family Trust (Trustee)
		Mr. Gautam Bharatkumar Patel
Qualification		Higher Secondary Education (12 th)
Date of Birth		07/01/1984
Age		41 Years
Address		12, Mahalaxmi Society, Karannagar Road, Kadi, Mahesana, Gujarat-382715, India
Experience		9 Years
Occupation		Business
Permanent Account Number		AMZPP8947J
Passport Number		Z6165633
Driving License Number		GJ02 20020099085
No. of Equity Shares held in VCL [% of Shareholding (Pre Issue)]		30,00,000 Equity Shares of ₹ 10 each; 20 % of Pre-Issue Paid Up Capital

	DIN	02027640
	Other Interests	<p>Companies/LLP:</p> <ul style="list-style-type: none"> ➤ Jain Finscap Pvt. Ltd. <p>Partnership Firm(s)</p> <ul style="list-style-type: none"> ➤ Balaji Oil Mill Ginning & Pressing Factory <p>HUF:</p> <ul style="list-style-type: none"> ➤ Patel Prahaladbhai Chimanlal HUF(Member) <p>Trust:</p> <ul style="list-style-type: none"> ➤ B P Patel Family Trust (Beneficiary)

Details of Trust(s):

(1) B P Patel Family Trust

Particulars	Details
a. Date of Creation of Trust	December 17, 2024
b. Date of Trust Deed	Trust Deed dated December 17, 2024
c. Name of the Beneficiaries	<ol style="list-style-type: none"> 1. Ranjanben Bharatbhai Patel 2. Nirav Bharatbhai Patel 3. Kinjal N Patel 4. Rivan Niravkummar Patel 5. Tirth Niravkumar Patel 6. Gautam Bharatbhai Patel 7. Rutu Gautambhai Patel 8. Mantra Gautam Patel 9. Khushi Gautam Patel 10. Any Lineal Descendent/s of Mr. Bharatbhai Prahaladbhai Patel
d. Name of the Trustees	Mr. Bharatbhai Prahaladbhai Patel Mrs. Ranjanben Bharatbhai Patel
e. Name of the Settlor	Mr. Bharatbhai Prahaladbhai Patel
f. Reason for formation of the trust	<p>Clause 4 of the Trust Deed provides for the objects for which the settlor has set up this trust and those are as follows:</p> <ol style="list-style-type: none"> 1. to hold, invest and manage the Trust property in trust for the sole benefit of the Beneficiaries; 2. To ensure that the Trust Property is properly managed and administered in accordance with the provisions of this Deed; 3. To make distributions of Income and Capital that comprises the Trust Property received by the Trustees in accordance with the provisions of this deed and in order to provide for different needs, expenses, requirements and contingencies of the Beneficiaries; 4. to carry on any other business activities with an objective of accretion to the Trust Property for the benefit of the Beneficiaries; 5. to set-up or invest in any new business venture, as may be agreed by the Trustees; and 6. to ensure a seamless inter-generational transfer and/or transmission of the Trust Property among the Beneficiaries by providing, <i>inter alia</i>, a suitable succession planning structure amongst the Beneficiaries who are family members.

(2) V P Patel Family Trust

Particulars	Details
a. Date of Creation of Trust	December 17, 2024
b. Date of Trust Deed	Trust Deed dated December 17, 2024
c. Name of the Beneficiaries	<ol style="list-style-type: none"> 1. Kapilaben Vishnubhai Patel 2. Jasmin Vishnubhai Patel 3. Mansi Jasmin Patel 4. Avyan Jasminbhai Patel 5. Preet Vishnubhai Patel 6. Himani Patel 7. Any Lineal Descendent/s of Mr. Vishnubhai Prahaladdas Patel
d. Name of the Trustees	Mr. Vishnubhai Prahaladdas Patel Mrs. Kapilaben Vishnubhai Patel
e. Name of the Settlor	Mr. Vishnubhai Prahaladdas Patel
f. Reason for formation of the trust	<p>Clause 4 of the Trust Deed provides for the objects for which the settlor has set up this trust and those are as follows:</p> <ol style="list-style-type: none"> 1. to hold, invest and manage the Trust property in trust for the sole benefit of the Beneficiaries; 2. To ensure that the Trust Property is properly managed and administered in accordance with the provisions of this Deed; 3. To make distributions of Income and Capital that comprises the Trust Property received by the Trustees in accordance with the provisions of this deed and in order to provide for different needs, expenses, requirements and contingencies of the Beneficiaries; 4. to carry on any other business activities with an objective of accretion to the Trust Property for the benefit of the Beneficiaries; 5. to set-up or invest in any new business venture, as may be agreed by the Trustees; and 6. to ensure a seamless inter-generational transfer and/or transmission of the Trust Property among the Beneficiaries by providing, <i>inter alia</i>, a suitable succession planning structure amongst the Beneficiaries who are family members.

Declaration

We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number, Passport Number and Driving License of the Promoters which are available have been submitted to National Stock Exchange of India at the time of filing of Draft Red Herring Prospectus with them.

Present Promoters of Our Company are Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, B P Patel Family Trust and V P Patel Family Trust.

*Initial subscribers to the MoA of our Company were Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter "Capital Structure" beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.*

Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 204 of this Draft Red Herring Prospectus, there are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 204 of this Draft Red Herring Prospectus.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the promoter group members nor our Group Company have been declared as a willful defaulter or a fraudulent borrower by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/ Conflict of Interest

As of the date of this Draft Red Herring Prospectus, Ambica Cotseeds Limited, Ambica Cotseeds PTE Ltd, Avadh Cotton Industries and Vivekanand Industries are engaged in a similar line of business, including the import and export of cotton yarn and cotton bales, as well as ginning and operation of cotton seed oil mills.

For further details of our Group Companies refer to Section titled “Information with respect to Group Companies” on page 217 of this Draft Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest in promotion of Our Company

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our company” and “Our Management – Interest of Directors” and “Our Management – Interest of Key Managerial Personnel” on pages 188 & 164 of this Draft Red Herring Prospectus, respectively.

Interest in the property of Our Company

Except as mentioned in this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us till date of filing the Red Herring Prospectus with RoC.

Other Interest of Promoters

- Except as stated in “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 188 of this Draft Red Herring Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoter do not have any other interest in our business.
- Further, our Promoter may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 188 of this Draft Red Herring Prospectus.
- Our Promoter, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Red Herring Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.

- Our Promoters Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel, have provided personal guarantees to secure our existing borrowings from our lenders.
- Except as otherwise as stated in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Red Herring Prospectus in which Promoter is directly or indirectly interested.

Experience of Promoters in the line of business

Our Promoters Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel, Mr. Gautam Bharatkumar Patel have experience of 13, 5, 13, 13, 9 years respectively. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to section titled “Annexure – IX Restated Statement of Related Party Transactions” under chapter titled “Restated Financial Statements” on page 188 of this Draft Red Herring Prospectus.

Except as stated in “Annexure – IX Restated Statement of Related Party Transactions” beginning under chapter titled “Restated Financial Statements” on page 188 of this Draft Red Herring Prospectus., and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our Promoters, please refer to the chapter titled “Our Management” beginning on page 164 of this Draft Red Herring Prospectus. Also refer Annexure IX on “Restated Statement of Related Party Transactions” under chapter titled “Restated Financial Statements” on page 188 of this Draft Red Herring Prospectus.

Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years

Our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red herring Prospectus.

Other ventures of our Promoters

Save and except as disclosed in this section titled “Our Promoters and Promoter Group” and “Information with respect of Group Companies” beginning on page 178 & 217 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 204 of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Nirav Bharatbhai Patel	Vishnubhai Prahaladdas Patel
Father	Bharatbhai Prahaladbhai Patel	Late Prahaladbhai Chimanlal Patel
Mother	Ranjanben Bharatbhai Patel	Kantaben Prahaladbhai Patel
Spouse	Kinjal N Patel	Kapilaben Vishnubhai Patel

Brother	Gautam Bharatbhai Patel	Bharatbhai Prahaladbhai Patel
Sister	-	Renukaben D Patel
Son	Rivan Niravkumar Patel Tirth Niravkumar Patel	Jasmin Vishnubhai Patel Preet Vishnubhai Patel
Daughter	-	-
Spouse's Father	Jayntibhai Vitthaldas Patel	Late Maganbhai Ambalal Patel
Spouse's Mother	Madhukantaben Ambalal Patel	Pashiben Maganbhai Patel
Spouse's Brother	Niraj Patel	Amrutlal Maganlal Patel Bharatbhai Manganlal Patel
Spouse's Sister	Jayshree Patel	Ranjanben Bharatbhai Patel Jyotsanaben Dashrathbhai Patel Hansaben Patel Sudhaben Patel

Relationship	Bharatbhai Prahaladbhai Patel	Jasmin Visnubhai Patel
Father	Late Prahaladbhai Chimanlal Patel	Vishnubhai Prahaladdas Patel
Mother	Kantaben Prahaladbhai Patel	Kapilaben Vishnubhai Patel
Spouse	Ranjanben Bharatbhai Patel	Mansi Jasmin Patel
Brother	Vishnubhai Prahaladdas Patel	Preet Vishnubhai Patel
Sister	Renukaben D Patel	-
Son	Nirav Bharatbhai Patel Gautam Bharatbhai Patel	Avyan Jasminbhai Patel
Daughter	-	-
Spouse's Father	Late Maganbhai Ambalal Patel	Vallabhbhai Maneklal Patel
Spouse's Mother	Pashiben Maganbhai Patel	Diptiben Patel
Spouse's Brother	Amrutlal Maganlal Patel Bharatbhai Manganlal Patel	Kanish Vallabhbhai Patel
Spouse's Sister	Kapilaben Vishnubhai Patel Jyotsanaben Dashrathbhai Patel Hansaben Patel Sudhaben Vishnubhai Patel	-

Relationship	Gautam Bharatbhai Patel
Father	Bharatbhai Prahaladbhai Patel
Mother	Ranjanben Bharatbhai Patel
Spouse	Rutu Gautambhai Patel
Brother	Nirav Bharatbhai Patel
Sister	-
Son	Mantra Gautam Patel
Daughter	Khushi Gautam Patel
Spouse's Father	Manubhai Vitthaldas Patel
Spouse's Mother	Kokilaben Manubhai Patel
Spouse's Brother	Pratik Manubhai Patel
Spouse's Sister	Darshita Vipulkumar Patel

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

- Ambica Cotseeds Limited
- Avadh Cotton Industries
- Vivekanand Industries
- Jain Finscap Private Limited

- Balaji Oil Mill Ginning & Pressing Factory
- Giocert Ventures and Innovations Private Limited
- Shantam Buildcon
- Patel Prahaladbhai Chimanlal HUF

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

For details of risks in relation to our capability to pay dividend, see "Risk Factors" – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

SECTION IX - FINANCIAL INFORMATION OF OUR COMPANY

RESTATED FINANCIAL STATEMENTS

Particulars	Page No.
Restated Financial Statement	Page 1/34 to 34/34

Examination Report on Restated Financial Information

To,
Vivekanand Cotspin Limited
S/No 182/1, At Rangpurda, Kadi,
M0ahesana, Gujarat, India-382715

Dear Sir,

1. We have examined the attached Restated Financial Information of Vivekanand Cotspin Limited (Formerly known as Vivekanand Cotspin LLP) (hereinafter referred as “the Company” or the “Issuer”) comprising the Restated Statement of Assets and Liabilities of the Company as at 30th September 2024, 4th August 2024, 31th March 2024, 31th March 2023 and 31th March 2022, the Restated Statements of Profit and Loss of the Company and the Restated Statement of Cash Flows of the Company for the period ended 30 September, 2024 and 4 August,2024 along with the years ended 31 March 2024, 31 March 2023 and 31 March 2022, the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information explained in paragraph 9 below (collectively hereinafter referred as “Restated Financial Statement” or “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 21st January,2025 for the purpose of inclusion in the Red Herring Prospectus/Prospectus prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) at SME Platform of NSE Limited (“NSE EMERGE”) 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 Restated Financial Information for the purpose of inclusion in the Red Herring Prospectus/Prospectus to be filed with Securities and Exchange Board of India, NSE EMERGE & Registrar of Companies in connection with the proposed SME IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 of Annexure IV to the Restated Financial Information.

The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 20th November, 2024 in connection with the proposed SME IPO of equity shares of the Issuer;

- b. The Guidance Note, which 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 Information; and
 - 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 SME IPO.
4. These Restated Financial Information have been compiled by the management from:

(a) the audited financial statements of the Company for the period ended 30th September, 2024 and 4th August, 2024, prepared in accordance with the Accounting Standard 25 “Interim Financial Reporting”, prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “Interim Financial Statements”) which have been approved by the Board of Directors at their meeting held on 21st January, 2025

(b) the audited financial statements of the Company for the years ended 31th March 2024, 31th March 2023 and 31th March 2022 prepared in accordance with the Accounting Standards, prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the “Financial Statements”) which have been approved by the Partners/Directors.

We have audited the special purpose interim financial information of the Company for the period ended 30th September, 2024 prepared by the Company in accordance with the Accounting Standards (“AS”) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed SME IPO. We have issued our report dated 21st January, 2025 on this special purpose financial information to the Board of Directors who have approved these in their meeting held on 21st January, 2025. Further we have audited financial statements of the company for the years ended 31th March 2024 for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to the proposed SME IPO. We have issued our report dated 18th January, 2025 on this audited financial statements to the Board of Directors who have approved these in their meeting held on 18th January, 2025.

5. For the purpose of our examination, we have relied on:
- (a) Auditors’ report issued by M/s. Mistry and Shah LLP (“statutory auditors”) dated 21st January, 2025 on the Interim Financial Statements of the Company as at and for the period ended 30th September, 2024 and 4th August, 2024, and dated 18th January, 2025 as at and for the period ended 31st March, 2024, as referred in Paragraph 4 above.
 - (b) Auditors’ report issued by M/s. B Shah & Associates (“statutory auditors”) dated 30th May 2024, 23rd September 2023 and 30th September 2022 on the financial statements as at and for the years March 31, 2024, March 31, 2023 and March 31, 2022, as referred in Paragraph 4 above.
6. Based on our examination and in accordance with the requirements of the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 4 above, we report that:

- (a) The Restated Statement of Assets and Liabilities of the Company as at 30th September, 2024, 4th August, 2024, 31th March 2024, 31th March 2023 and 31th March 2022 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VI of the Restated Financial Information;
 - (b) The Restated Statement of Profit and Loss of the Company for the period ended 30th September, 2024, 4th August, 2024 and for the years ended 31th March 2024, 31th March 2023 and 31th March 2022 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VI of the Restated Financial Information; and
 - (c) The Restated Statement of Cash Flows of the Company for period ended 30th September, 2024, 4th August, 2024 and for the years ended 31th March 2024, 31th March 2023 and 31th March 2022 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VI of the Restated Financial Information.
7. Based on the above and according to the information and explanations given to us for the respective periods, we further report that the Restated Financial Information:
- i. have been prepared after incorporating adjustments for change in accounting policies, material errors and regrouping / reclassifications retrospectively in the years ended 31th March 2024, 31th March 2023 and 31th March 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the period ended 30th September, 2024 and 4th August, 2024;
 - ii. have been prepared after incorporating adjustments for the material amounts in the respective periods to which they relate;
 - iii. have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
 - iv. do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Financial Information in the respective periods and do not contain any qualifications requiring adjustments; and
 - v. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
8. We have also examined the following Restated Financial Information of the Company as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors, on 21st January, 2025 for the period ended 30th September, 2024 and 4th August, 2024 along with the years ended 31th March 2024, 31th March 2023 and 31th March 2022:
- i) Annexure IV - Basis of preparation and Significant Accounting Policies and Notes to the Restated Financial Information;
 - ii) Annexure V – Material Adjustments to the Restated Financial Statements;
 - iii) Annexure VI - Restated Statement of Tax Shelter;
 - iv) Annexure VII - Restated Statement of Capitalisation;
 - v) Annexure VIII - Restated Statement of Accounting & Other Ratios;
 - vi) Annexure IX - Statement of Related Party Transactions.

9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Interim Financial Statements and Financial Statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the other auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. We, M/s. Mistry & Shah LLP, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Red Herring Prospectus/Prospectus to be filed with Securities and Exchange Board of India (“SEBI”), the relevant stock exchange (“NSE EMERGE”) and Registrar of Companies, Ahmedabad (“ROC”) in connection with the proposed SME 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, Mistry & Shah LLP

Chartered Accountants

Firm’s Registration No: W100683

Peer Review Certificate No: 014683

CA Malav Shah

Partner

Membership No.: 117101

Date: 21st January, 2025

Place: Ahmedabad

UDIN: 25117101BMLWNL4276

Vivekanand Cotspin Limited
Formerly Known as Vivekanand Cotspin LLP
CIN : U13111G12024PLC154066
Restated Statement of Assets and Liabilities

Rs. In Lakh

Particulars	Note No	As on 30th September 2024	As on 4th August 2024	As on 31st March 2024	As on 31st March 2023	As on 31st March 2022
I. EQUITY AND LIABILITIES						
Shareholders' funds						
Share Capital	3	1,500.00	-	-	-	-
Partner's Capital	4	0.00	2,527.03	2,227.76	3,204.90	3,183.00
Reserves and surplus	5	38.79	-	-	-	-
Total		1,538.79	2,527.03	2,227.76	3,204.90	3,183.00
Share Application Money Pending Allotment		-	-	-	-	-
Non Current Liabilities						
Long term borrowings	6	2,847.42	1,897.78	1,841.82	1,007.41	2,735.50
Deferred Tax Liability(Net)	7	469.58	460.99	436.39	364.45	405.66
Long term provisions	8	34.37	32.89	29.24	39.18	26.03
Other Long Term Liabilities		-	-	-	-	-
Total		3,351.37	2,391.67	2,307.46	1,411.04	3,167.18
Current liabilities						
Short term borrowings	9	2,161.72	1,358.33	2,159.75	2,176.08	1,462.17
Trade payables	10	-	-	-	-	-
- Trade payables due to MSME		74.61	260.77	247.14	30.26	17.33
- Trade payables due to others		1,277.46	856.26	1,218.75	201.32	25.86
Other current liabilities	11	368.05	164.62	197.50	88.95	403.18
Short term provisions	12	77.82	64.38	120.56	73.86	56.50
Total		3,959.66	2,704.35	3,943.69	2,570.46	1,965.04
Total Equity and Liabilities		8,849.82	7,623.05	8,478.91	7,186.40	8,315.22
II. ASSETS						
Non Current Assets						
Property, Plant and Equipment and Intangible Assets						
Property, Plant and Equipment	13	4,803.31	4,898.11	5,140.82	4,167.18	4,751.88
Intangible Assets		-	-	-	-	-
Capital Work in Progress		-	-	-	-	-
Intangible Assets under Development		-	-	-	-	-
Non current investments	14	0.00	0.00	0.00	0.00	0.03
Non non current assets	15	193.85	193.85	186.17	164.84	446.82
Total		4,997.16	5,091.96	5,326.99	4,332.03	5,198.72
Current assets						
Current Investments						
Inventories	16	2,364.94	1,991.76	2,494.56	1,570.88	2,218.15
Trade receivables	17	702.34	40.25	230.83	976.61	98.20
Cash and cash equivalents	18	226.92	11.99	10.40	102.14	3.23
Short term loans and advances	19	544.25	454.85	408.45	192.20	795.59
Other current assets	20	14.20	32.24	7.68	12.53	1.33
Total		3,852.65	2,531.09	3,151.92	2,854.37	3,116.50
Total Assets		8,849.82	7,623.05	8,478.91	7,186.40	8,315.22

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.
Previous year figures have been regrouped wherever necessary to correspond with current year's classification/disclosures

As per our report of even date attached

For, Mistry And Shah LLP
Chartered Accountants
Firm Registration No.: W100683

For Vivekanand Cotspin Limited
(Formerly Known as Vivekanand Cotspin LLP)

CA Malav Shah
Partner
Membership No: 117101
UDIN:25117101BMLWNL4276
Place: Ahmedabad
Date:21st January,2025

Patel Nirav
Managing Director
DIN:02055489

Place: Mehsana
Date:21st January,2025

Patel Vishubhai
Director
DIN: 00375791

Place: Mehsana
Date:21st January,2025

Irfan Abdulbhai Mansuri
Chief Financial Officer

Place: Mehsana
Date:21st January,2025

Komal Vijaybhai Chauhan
Company Secretary
Membership No: A67925

Place: Mehsana
Date:21st January,2025

Vivekanand Cotspin Limited
Formerly known as Vivekanand Cotspin LLP
CIN: U13111GJ2024PLC154066
Restated Statement of Profit and Loss

Rs. In Lakh

Particulars	Note	Rs. In Lakh				
		For the period 5th August to 30th September 2024	For the period 1st April 2024 to 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Revenue						
Revenue from operations	21	1,813.17	7,553.83	35,745.91	30,178.47	18,286.34
Other Income	22	1.56	3.77	36.41	39.36	11.94
Total Income		1,814.73	7,557.61	35,782.31	30,217.83	18,298.28
Expenses						
Cost of material consumed	23	2,082.94	5,258.54	20,506.34	9,378.50	15,190.44
Purchases of stock in trade	24	196.72	380.65	12,754.25	17,855.09	1,044.59
Change in Inventories of WIP and finished goods	25	-901.33	888.63	-1,213.88	289.21	-583.26
Employee benefit expenses	26	60.03	110.93	399.03	400.52	454.89
Finance costs	27	59.58	182.92	440.04	461.18	287.83
Depreciation and amortization expenses	28	94.80	211.41	557.99	596.29	673.61
Other expenses	29	175.18	385.46	1,818.53	1,304.94	1,310.05
Total expenses		1,767.92	7,418.54	35,262.30	30,285.73	18,378.15
Profit before exceptional and extraordinary item and tax		46.82	139.07	520.01	-67.90	-79.87
Exceptional item			-	-	-	-
Profit before extraordinary item and tax		46.82	139.07	520.01	-67.90	-79.87
Prior Period Item			-	-	-	-
Extraordinary Item			-	-	-	-
Profit before tax		46.82	139.07	520.01	-67.90	-79.87
Current Tax Expense	30	-0.55	10.97	89.04	30.67	27.78
Deferred Tax Expense/(Income)	30	8.58	24.60	71.94	-41.21	-38.03
Profit/(loss) for the period		38.79	103.49	359.04	-57.35	-69.62
Earning per equity share in Rs:						
1) Basic		0.26	0.69	2.39	-0.38	-0.46
2) Diluted		0.26	0.69	2.39	-0.38	-0.46

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.
Previous year figures have been regrouped wherever necessary to correspond with current year's classification/disclosures
As per our report of even date attached:

For, Mistry And Shah LLP
Chartered Accountants
Firm Registration No.: W100683

For Vivekanand Cotspin Limited
(Formerly Known as Vivekanand Cotspin LLP)

CA Malav Shah
Partner
Membership No: 117101
UDIN:25117101BMLWNL4276
Place: Ahmedabad
Date:21st January,2025

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Managing Director
DIN:02055489

Place: Mehsana
Date:21st January,2025

Patel Vishnubhai
Director
DIN: 00375791

Place: Mehsana
Date:21st January,2025

Irfan Abdulbhai Mansuri
Chief Financial Officer

Place: Mehsana
Date:21st January,2025

Komal Vijaybhai Chauhan
Company Secretary
Membership No: A67925

Place: Mehsana
Date:21st January,2025

Vivekanand Cotspin Limited
Formerly Known as Vivekanand Cotspin LLP
CIN: U13111GJ2024PLC154066
Restated Statement of Cash Flows

Rs. In Lakh

Particulars	As on 30th September 2024	As on 4th August 2024	As on 31st March 2024	As on 31 March 2023	As on 31st March 2022
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after tax	38.79	103.49	359.04	-57.35	-69.62
Depreciation and Amortisation Expense	94.80	211.41	557.99	596.29	673.61
Provision for Deferred tax	8.58	24.60	71.94	-41.21	-38.03
Provision for Employee Benefits	1.48	3.65	-9.93	13.15	26.03
Loss/(Gain) on Sale / Discard of Assets (Net)	-	-	-	-	-
Interest Income	-1.56	-3.77	-9.98	-34.78	-10.60
Finance Costs	59.58	182.92	440.04	461.18	287.83
Operating Profit before working capital changes					
	201.66	522.30	1,409.10	937.27	869.22
Adjustment for:					
(Increase)/Decrease in Inventories	-373.18	502.80	-923.68	647.27	-596.21
(Increase)/Decrease in Trade Receivables	-662.09	190.58	745.78	-878.42	-97.35
(Increase)/Decrease in Short term Loans and Advances	-36.92	-32.24	-239.17	646.72	36.66
(Increase)/Decrease in Other Current Assets	18.04	-24.57	4.86	-11.21	-1.33
(Increase)/Decrease in Other Non current Assets	-0.00	-7.68	-21.33	281.97	-446.82
Increase/(Decrease) in Trade Payables	235.05	-348.86	1,234.31	188.39	-320.02
Increase/(Decrease) in Other Current Liabilities	203.43	-32.89	108.56	-314.23	324.34
Increase/(Decrease) in Short-term Provisions	57.20	-56.18	91.97	17.35	72.98
Cash (Used in)/Generated from Operations	-558.46	190.97	1,001.29	577.85	-1,027.73
Tax paid/(Net)	96.25	14.15	22.35	43.32	38.05
Net Cash (Used in)/Generated from Operating Activities	-453.05	699.12	2,388.04	1,471.80	-196.56
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	-	-	-1,531.63	-11.59	-364.51
Sale of Property, Plant and Equipment	-	31.30	-	-	-
Proceeds Received from sale of Investment	-	-	-	0.03	-
Interest received	1.56	3.77	9.98	34.78	10.60
Dividend received	-	-	-	-	-
Net Cash (Used in)/Generated from Investing Activities	1.56	35.07	-1,521.65	23.22	-353.91
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of Share capital	-	-	-	-	-
Proceeds from Long Term Borrowings	-77.38	55.96	834.42	-	-
Repayment of Long Term Borrowings	-	-	-	-1,728.09	-1,262.89
Proceeds from Short Term Borrowings	803.39	-	-	713.90	1,462.17
Repayment of Short Term Borrowings	-	-801.42	-16.33	-	-
Proceeds from Partner's Current Account	-	195.77	-1,336.18	79.26	541.46
Interest Paid	-59.58	-182.92	-440.04	-461.18	-287.83
Net Cash (Used in)/Generated from Financing Activities	666.43	-732.61	-958.12	-1,396.10	452.90
Net Increase/(Decrease) in Cash and Cash Equivalents	214.93	1.59	-91.73	98.91	-97.57
Opening Balance of Cash and Cash Equivalents	11.99	10.40	102.13	3.23	100.80
Exchange difference of Foreign Currency Cash and Cash equivalents					
Closing Balance of Cash and Cash Equivalents	226.92	11.99	10.40	102.14	3.23

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.
Previous year figures have been regrouped wherever necessary to correspond with current year's classification/disclosures

As per our report of even date attached

For, Mistry And Shah LLP
Chartered Accountants
Firm Registration No.: W100683

For Vivekanand Cotspin Limited
(Formerly Known as Vivekanand Cotspin LLP)

CA Malav Shah
Partner
Membership No: 117101
UDIN:251171018MLWN14276
Place: Ahmedabad
Date:21st January,2025

Patel Nirav
Managing Director
DIN:02055489
Place: Mehsana
Date:21st January,2025

Patel Vishnubhai
Director
DIN: 00375791
Place: Mehsana
Date:21st January,2025

Irfan Abdulbhai Mansuri
Chief Financial Officer
Place: Mehsana
Date:21st January,2025

Komal Vijaybhai Chauhan
Company Secretary
Membership No: A67925
Place: Mehsana
Date:21st January,2025

Annexure IV: Basis of preparation and Significant Accounting Policies and Notes to the Restated Financial Information

Vivekanand Cotspin Limited

Formerly Known as Vivekanand Cotspin LLP

(CIN: U13111GJ2024PLC154066)

Notes forming part of the Financial Statements

1 COMPANY INFORMATION

Vivekanand Cotspin Limited was established in 2015 and is promoted by the Patel family. The company was established as Vivekanand Cotspin LLP and later in August 2024, it got converted to a private limited company. The manufacturing facility of the company is located in Mehsana, Gujarat. The entity is engaged in the business of cotton ginning and spinning with an installed capacity of 400 bales per day for ginning and an installed capacity of 25,000 spindles for spinning as on July 31, 2024

2 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

b Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

c Depreciation and amortization

Depreciation has been provided on the Fixed Asset on the WDV method and in accordance with the useful life of the Asset as prescribed under Schedule II of the Companies Act, 2013.

The useful life of the Assets has been taken as below;

Type of Assets	Useful Life
Buildings	30 Years
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Computers	3 Years

d Impairment of assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

e Investment

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

f Inventories

Raw materials are carried at cost. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

g Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

h Revenue recognition

Revenue has been recognized as per AS-9 " Revenue Recognition".

i Employee Benefits

Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

j Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

k Taxation

Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

l Earnings Per Shares

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all dilutive potential equity shares into equity shares.

m Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

For, Mistry And Shah LLP
Chartered Accountants
Firm Registration No.: W100683

For Vivekanand Cotspin Limited
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CA Malav Shah
Partner
Membership No: 117101
UDIN:25117101BMLWNL4276
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Company Secretary
Membership No: A67925
Place: Mehsana
Date:21st January,2025

Vivekanand Cotspin Limited
Formerly Known as Vivekanand Cotspin LLP
CIN: U13111GJ2024PLC154066
Statement of Notes to the Restated Financial Information

3 Share Capital

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Equity Share Capital					
Authorised Share Capital 150,00,000 Equity Shares of Rs. 10 Each	-	-	-	-	-
Issued, Subscribed & Fully Paid Up Share Capital 150,00,000 Equity Shares of Rs. 10 Each	1,500.00	-	-	-	-
Total	1,500.00	-	-	-	-

Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

The Company was originally formed and registered as a Limited Liability Partnership (LLP) and thereafter converted from Limited Liability partnership to private limited Company with name of VIVEKANAND COTSPIN PRIVATE LIMITED and received a fresh certificate of incorporation from the Registrar of Companies, Ahmedabad on 5th August,2024. The company was subsequently converted from a private limited company to a public limited company under the name VIVEKANAND COTSPIN LIMITED and obtained a fresh Certificate of Incorporation from the Registrar of Companies, Ahmedabad, on 16th December 2024.

Hence, details of share capital and no. of shares pertaining to the period before 5th August,2024 can't be given.

The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Reconciliation of Number of Shares:

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Equity Shares					
Shares outstanding at the beginning of the year	-	-	-	-	-
Shares issued during the year	1,50,00,000.00	-	-	-	-
Share outstanding at the end of the year	1,50,00,000.00	-	-	-	-

Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	% of Holding	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Bharatbhai Patel	19.99%	29,99,900.00	-	-	-	-
Gautambhai Patel	20.00%	30,00,000.00	-	-	-	-
Jasmin Patel	20.00%	30,00,000.00	-	-	-	-
Vishnubhai Patel	19.99%	29,99,900.00	-	-	-	-
Nirav Patel	20.00%	30,00,000.00	-	-	-	-

Shareholding of Promoters:

Name of Promoter	% of Holding	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Bharatbhai Patel	19.99%	29,99,900.00	-	-	-	-
Gautambhai Patel	20.00%	30,00,000.00	-	-	-	-
Jasmin Patel	20.00%	30,00,000.00	-	-	-	-
Vishnubhai Patel	19.99%	29,99,900.00	-	-	-	-
Nirav Patel	20.00%	30,00,000.00	-	-	-	-

Change in promoters holding during the year

Name of Promoter	% of Holding	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Bharatbhai Patel						
Opening Holding as on 5th August,2024	20.00%	30,00,000.00	-	-	-	-
Acquire/(Transfer)	0.01%	-100.00				
Closing Holding as on date	19.99%	29,99,900.00				
Gautambhai Patel						
Opening Holding as on 5th August,2024	20.00%	30,00,000.00	-	-	-	-
Acquire/(Transfer)						
Closing Holding as on date	20.00%	30,00,000.00				
Jasmin Patel						
Opening Holding as on 5th August,2024	20.00%	30,00,000.00	-	-	-	-
Acquire/(Transfer)						
Closing Holding as on date	20.00%	30,00,000.00				
Vishnubhai Patel						
Opening Holding as on 5th August,2024	20.00%	30,00,000.00	-	-	-	-
Acquire/(Transfer)	0.01%	-100.00				
Closing Holding as on date	19.99%	29,99,900.00				
Nirav Patel						
Opening Holding as on 5th August,2024	20.00%	30,00,000.00	-	-	-	-
Acquire/(Transfer)						
Closing Holding as on date	20.00%	30,00,000.00				
Ranjnaben Patel						
Opening Holding as on 5th August,2024	0.00%	-	-	-	-	-
Acquire/(Transfer)	0.00%	100.00				
Closing Holding as on date	0.00%	100.00				
Preet Patel						
Opening Holding as on 5th August,2024	0.00%	-	-	-	-	-
Acquire/(Transfer)	0.00%	100.00				
Closing Holding as on date	0.00%	100.00	-	-	-	-

4 Partner's Capital

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Partner's Fixed Capital:					
Opening Balance of Capital Account:	1,500.00	1,500.00	1,500.00	1,500.00	1,440.75
(+)Addition	-	-	-	-	59.25
(-)Withdrawal	-	-	-	-	-
(-)Converted into Share Capital	-1,500.00	-	-	-	-
Closing Balance of Fixed Capital	-	1,500.00	1,500.00	1,500.00	1,500.00
Partner's Current Capital:					
Opening Balance of Capital Account:	1,027.03	727.76	1,704.90	1,683.00	1,496.89
(+)Addition	-	490.98	507.22	946.10	1,591.77
(-)Withdrawal	-	349.49	2,022.99	981.59	1,520.09
Less: Current Capital Converted into Fixed Capital	-	-	-	-	59.25
Less: Current Capital Converted into loan	-1,027.02	-	-	-	-
Less: Transfer to Retained earnings	-	-	-	-	-
Interest on Partner's Capital	-	54.28	179.59	114.75	243.30
Partner's Remuneration	-	-	-	-	-
Profit/(Loss) during the year	-	103.49	359.04	-57.35	-69.62
Closing Balance of Current Capital	0.00	1,027.03	727.76	1,704.90	1,683.00
Total	0.00	2,527.03	2,227.76	3,204.90	3,183.00

The Company was originally formed and registered as a Limited Liability Partnership (LLP) and thereafter converted from Limited Liability partnership to private limited Company with name of VIVEKANAND COTSPIN PRIVATE LIMITED and received a fresh certificate of incorporation from the Registrar of Companies, Ahmedabad on 5th August,2024. The company was subsequently converted from a private limited company to a public limited company under the name VIVEKANAND COTSPIN LIMITED and obtained a fresh Certificate of Incorporation from the Registrar of Companies, Ahmedabad, on 16th December 2024.

As on August 04,2024, March 31, 2024 ,March 31, 2023 & March 31,2022 the entity was a Limited Liability Partnership (LLP) and hence, details of partner's capital account as maintained under Limited Liability partnership Act, 2008 has been disclosed in the respective years.

5 Reserves and surplus

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Statement of Profit and loss:					
Balance at the beginning of the year	-	-	-	-	-
Add: Profit/(loss) during the year	38.79	-	-	-	-
Add: Excess surplus of restatement Adjustment	-	-	-	-	-
Balance at the end of the year	38.79	-	-	-	-
Total	38.79	-	-	-	-

6 Long term borrowings

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Secured Term loans from banks	1,332.36	1,499.71	1,482.52	931.44	2,723.38
Unsecured Term loans from other parties	371.39	387.06	352.75	69.78	-
Unsecured Loans and advances from related parties	1,143.67	11.01	2.00	2.00	8.25
Unsecured Other loans and advances	-	-	4.56	4.18	3.87
Total	2,847.42	1,897.78	1,841.82	1,007.41	2,735.50

Borrowing Includes

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Secured :					
Working capital loan	350.00	388.89	-	-	-
Term Loan	982.36	1,110.82	1,417.74	854.53	2,635.21
Vehicle Loan	-	-	64.78	76.92	88.16
Unsecured :					
Unsecured Term loans from other parties :					
Ashmita Rameshbhai Patel	16.01	15.76	15.19	-	-
Babulal Parsottamdas Patel	133.41	131.96	128.76	-	-
Chirag Babulal Patel	106.73	105.57	103.01	-	-
Darshita Vipulkumar Patel	4.76	4.70	4.56	4.18	3.87
Jyotsanaben Ghanshyambhai Patel	14.19	14.19	14.19	14.19	-
Popatlal Girdharlal Company	31.59	31.17	30.23	-	-
Popatlal Girdharlal Cotton Company	64.69	63.65	61.37	55.37	-
Gautam commodities (D.S)	-	20.07	-	0.22	-
Unsecured Loans and advances from related parties :					
Preet Vishnubhai Patel	2.00	2.00	2.00	2.00	8.25
Bharatbhai P. Patel	164.53	-	-	-	-
Gautam Bharatbhai Patel	264.81	-	-	-	-
Jasmin Vishnubhai Patel	330.93	9.01	-	-	-
Nirav Bharatbhai Patel	234.93	-	-	-	-
Vishnubhai P. Patel	146.47	-	-	-	-
Total	2,847.42	1,897.79	1,841.82	1,007.41	2,735.50

7 Deferred Tax Liability

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Deferred Tax Liability	469.58	460.99	436.39	364.45	405.66
Total	469.58	460.99	436.39	364.45	405.66

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
WDV as per Companies Act, 2013 (A)	4,803.31	4,898.11	5,140.82	4,167.18	4,751.88
WDV as per Income Tax Act, 1961 (B)	2,898.53	3,029.11	3,373.29	2,678.33	3,112.54
Difference in WDV (A-B)	1,904.78	1,869.00	1,767.53	1,488.86	1,639.34
Timing Difference due to provision of Gratuity (DTA)	-39.01	-37.33	-33.62	-40.79	-27.53
Total Timing Difference	1,865.76	1,831.67	1,733.90	1,448.07	1,611.81
Deferred Tax (Asset)/Liability ('C)	469.58	460.99	436.39	364.45	405.66
Restated Closing Balance of Deferred Tax (Asset)/Liability	469.58	460.99	436.39	364.45	405.66
Deferred Tax (Asset)/Liability as per Balance Sheet of Previous Year	460.99	436.39	364.45	405.66	443.69
Deferred Tax (Expense)/Income charged to Profit & Loss	-8.58	-24.60	-71.94	41.21	38.03

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

8 Long term provisions
Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Provision for employee benefits	34.37	32.89	29.24	39.18	26.03
Total	34.37	32.89	29.24	39.18	26.03

Defined Contribution Plan (As-15)

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Employers Contribution to Provident Fund	0.11	0.41	2.56	1.63	2.02
Employers Contribution to Pension Scheme 1995	0.24	0.92	5.81	3.69	4.58

Defined Benefit Plan
Changes in the present value of the defined benefit obligation
Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Defined Benefit Obligation at beginning of the year	37.33	33.62	40.79	27.53	-
Current Service Cost	1.22	2.71	7.20	11.78	27.53
Interest Cost	0.35	0.78	2.96	1.83	-
Actuarial (Gain) / Loss	0.10	0.22	(17.32)	(0.35)	-
Benefits Paid	-	-	-	-	-
Defined Benefit Obligation at year end	39.01	37.33	33.62	40.79	27.53

Reconciliation of present value of defined benefit obligation and fair value of assets
Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Present value obligation as at the end of the year	39.01	37.33	33.62	40.79	27.53
Fair value of plan assets as at the end of the year	-	-	-	-	-
Funded status/(deficit) or Unfunded net liability	-	-	-	-	-
Unfunded net liability recognized in balance sheet	-	-	-	-	-
Amount classified as:					
Short term provision	4.64	4.44	4.38	1.61	1.50
Long term provision	34.37	32.89	29.24	39.18	26.03

Expenses recognized in Profit and Loss Account
Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Current service cost	1.22	2.71	7.20	11.78	27.53
Interest cost	0.35	0.78	2.96	1.83	-
Deficit in acquisition cost recovered	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Net actuarial loss/(gain) recognized during the year	0.10	0.22	(17.32)	(0.35)	-
Total expense recognised in Profit and Loss	1.68	3.71	(7.16)	13.26	27.53

Actuarial assumptions

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Discount Rate	6.8% p.a.	6.8% p.a.	7.20% p.a.	7.40% p.a.	6.85% p.a.
Expected Rate of increase in Compensation Level	7.00% p.a.				
Expected Rate of return on Plan assets	NA	NA	NA	NA	NA
Retirement Age	60 Years				
Average Attained Age	33.44 Years	33.44 Years	33.18 Years	28.54 Years	27.85 Years
	Age 25 & Below : 20% p.a. 25 to 35 : 15% p.a. 35 to 45 : 10% p.a. 45 to 55 : 5% p.a. 55 & above : 1% p.a.	Age 25 & Below : 20% p.a. 25 to 35 : 15% p.a. 35 to 45 : 10% p.a. 45 to 55 : 5% p.a. 55 & above : 1% p.a.	Age 25 & Below : 20% p.a. 25 to 35 : 15% p.a. 35 to 45 : 10% p.a. 45 to 55 : 5% p.a. 55 & above : 1% p.a.	Age 25 & Below : 20% p.a. 25 to 35 : 15% p.a. 35 to 45 : 10% p.a. 45 to 55 : 5% p.a. 55 & above : 1% p.a.	Age 25 & Below : 20% p.a. 25 to 35 : 15% p.a. 35 to 45 : 10% p.a. 45 to 55 : 5% p.a. 55 & above : 1% p.a.
Withdrawal Rate					

General Description of the Plan

Disclosure Requirement as per AS-15 (Revised 2005) "Employee Benefits" notified under section 133 of the Companies Act, 2013. Retirement Benefits of the employee is carried out based on the actuarial valuation report. The valuation of the same has been earned out using the Project Unit Credit Method as per AS 15 (refer paragraph 65 of AS 15) to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past service cost.

Provision for gratuity has been recognized as per the report provided by government approved acturier.

9 Short term borrowings

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Current maturities of long-term debt	573.59	515.72	581.03	871.56	181.21
Secured Loans repayable on demand from banks	1,588.13	842.60	1,578.72	1,304.52	1,280.97
Total	2,161.72	1,358.33	2,159.75	2,176.08	1,462.17

Borrowing Includes

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Current maturities of long-term debt (Secured):					
Working capital term loan	316.67	233.33	233.33	-	57.13
Term Loan	256.92	282.39	337.95	859.42	117.76
Vehicle Loan	-	-	9.75	12.14	6.32
Secured Loans repayable on demand from banks (Secured):					
Working capital loan	1,588.13	842.60	1,578.72	1,304.52	1,280.97
Total	2,161.72	1,358.33	2,159.75	2,176.08	1,462.17

10 Trade payables

Rs. In Lakh

Particulars	For the period ended 30th Sep	For the period ended 4th Aug	For the period ended 31st	For the period ended 31st	For the period ended 31st
Due to others	1,277.46	856.26	1,218.75	201.32	25.86
Due to MSME	74.61	260.77	247.14	30.26	17.33
Total	1,352.08	1,117.03	1,465.89	231.58	43.19

[Trade Payables Ageing schedule:](#)

As on 30-09-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	75	-	-	-	74.61
Others	1,273.00	1.18	0.17	3.11	1,277.46
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					1,352.08
Total					1,352.08

As on 04-08-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	261	-	-	-	260.77
Others	851.73	1.24	0.17	3.11	856.26
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					1,117.03
Total					1,117.03

As on 31-3-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	247.14	-	-	-	247.14
Others	1,213.10	1.32	3.28	1.05	1,218.75
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					1,465.89
Total					1,465.89

As on 31-3-2023

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	30.26	-	-	-	30.26
Others	193.95	3.57	1.91	1.89	201.32
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					231.58
Total					231.58

As on 31-3-2022

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	17.33	-	-	-	17.33
Others	12.93	10.77	2.12	0.05	25.86
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					43.19
Total					43.19

Dues payable to MSME

Particulars	30th September 2024	04th August 2024	31st March 2024	31st March 2023	31st March 2022
Principal amount remaining unpaid to any supplier as at the year end	74.61	260.77	247.14	30.26	17.33
Interest due on above mentioned principal amount					
Amount of interest paid by the company in terms of section 16					
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED act 2006					
Amount of interest accrued and remaining unpaid at the end of the year					

1. The company has begun the supplier identification process in accordance with the MSME Act 2006. However, the categorization breakdown between entities falling under the MSME classification and others has not been furnished. Given the absence of any correspondence from creditors, it can be inferred that the classification of creditors into MSME and non-MSME categories has not been delineated.

2. Balance of Trade payable are subject to confirmations and unsecured; considered good by the management

3. Trade payable Ageing Schedule provided by Management is believed to be accurate and reliable

4. The company has not provided for interest on the dues payable to MSME creditors.

11 Other current liabilities

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Statutory dues	13.84	8.13	116.55	20.25	21.00
Advances from customers	326.74	129.11	37.17	59.45	334.55
Payable to Employees	27.47	27.38	42.82	8.29	46.67
Unpaid Expenses	-	-	0.96	0.96	0.96
Total	368.05	164.62	197.50	88.95	403.18

12 Short term provisions

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Provision for employee benefits	4.64	4.44	32.13	1.61	1.50
Provision for Income tax	-	43.77	43.77	-	-
Provision for Expenses	73.18	16.18	44.66	72.25	55.00
Total	77.82	64.38	120.56	73.86	56.50

Provision for gratuity has been recognized as per the report provided by government approved acturier.

13 Property Plant and Equipment & Intangible assets

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Building	785.31	797.43	824.48	911.06	1,006.74
Plant and Equipment	3,975.38	4,055.41	4,232.15	3,138.58	3,579.24
Furniture and Fixtures	0.97	1.02	1.12	1.51	2.04
Vehicles	12.37	13.63	50.26	73.09	106.28
Equipment's					
Office equipment	3.25	3.42	3.03	3.08	4.12
Computers	0.90	0.90	0.90	0.90	0.90
Electrical Installations and Equipment	25.13	26.29	28.87	38.96	52.56
Total	4,803.31	4,898.11	5,140.82	4,167.18	4,751.88

14 Non current investments

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Unquoted Other Investments in Equity Instruments	0.0010	0.0010	0.0010	0.0010	0.0260
Total	0.0010	0.0010	0.0010	0.0010	0.0260

Name of Entity	No of Shares	Amount
Kalupur commercial cooperative bank limited (Face Value - Rs 10)	10.00	0.0010
Kalupur commercial cooperative bank limited (Face Value - Rs 10) (As on 31-03-2022)	260.00	0.0260

15 Other non current assets

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Security Deposits	36.94	36.94	36.94	36.87	37.00
Bank Deposit having maturity of greater than 12 months	156.91	156.91	149.23	127.97	409.82
Total	193.85	193.85	186.17	164.84	446.82

16 Inventories

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Raw materials	295.66	823.81	437.98	783.18	1,085.49
Work-in-progress	94.49	112.92	128.70	106.99	175.43
Finished goods	1,909.79	990.03	1,862.88	670.71	891.49
Stores and spares	65.00	65.00	65.00	10.00	65.75
Total	2,364.94	1,991.76	2,494.56	1,570.88	2,218.15

17 Trade receivables

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Unsecured considered good	702.34	40.25	230.83	976.61	98.20
Total	702.34	40.25	230.83	976.61	98.20

Trade Receivables Ageing schedule:

As on 30-09-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Undisputed Trade receivables-considered good	702.34	-	-	-	-	702.34
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total Due						702.34
Total Trade Receivable						702.34

As on 04-08-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Undisputed Trade receivables-considered good	40.25	-	-	-	-	40.25
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total Due						40.25
Total Trade Receivable						40.25

As on 31-3-2024

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Undisputed Trade receivables-considered good	230.83	-	-	-	-	230.83
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total Due						230.83
Total Trade Receivable						230.83

As on 31-3-2023

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Undisputed Trade receivables-considered good	976.21	-	0.06	-	0.35	976.61
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total Due						976.61
Total Trade Receivable						976.61

As on 31-3-2022

Rs. In Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Undisputed Trade receivables-considered good	97.61	0.24	-	0.35	-	98.20
Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total Due						98.20
Total Trade Receivable						98.20

1. Balance of Trade receivable are subject to confirmations and Unsecured; considered good by the Management
2. Trade Receivable Ageing Schedule provided by Management is believed to be accurate and reliable

18 Cash and cash equivalents

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Cash on hand	11.12	11.99	10.40	21.68	3.09
Balances with banks in current accounts	0.79	-	-	0.13	0.13
Cash and Cash Equivalents-Total	11.92	11.99	10.40	21.82	3.23
Other Bank Balances					
Bank Deposit having maturity of greater than 3 months and less than 12 months	215.00	-	-	80.32	-

Total	226.92	11.99	10.40	102.14	3.23
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19 Short term loans and advances

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Advances to suppliers	125.79	28.72	23.29	9.17	331.05
Balances with Government Authorities	365.43	422.95	383.67	155.11	449.28
Advance Income Tax (net of provisions)	53.03	3.18	-	22.92	10.27
Other loans and advances (Unsecured, considered good) - Loans & Advance Given to Unrelated Parties	-	-	1.50	5.00	5.00
Total	544.25	454.85	408.45	192.20	795.59

20 Other current assets

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest accrued	4.80	3.40	7.68	11.45	1.33
Prepaid Expense	9.41	28.85	-	1.09	-
Total	14.20	32.24	7.68	12.53	1.33

21 Revenue from operations

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Sale of products :	1,784.80	7,467.46	35,294.91	29,840.20	17,614.70
Trading	207.05	1,837.79	19,942.03	20,231.23	3,305.16
Manufacturing	1,577.75	5,629.68	15,352.88	9,608.97	14,309.55
Sale of services	-	-	93.00	225.99	208.90
Other operating revenues	28.37	86.37	358.00	112.28	462.74
Total	1,813.17	7,553.83	35,745.91	30,178.47	18,286.34

22 Other Income

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest Income	1.56	3.77	9.98	34.78	10.60
Other non-operating income (net of expenses)	-	-	-	-	1.34
Foreign Exchange Gain	-	-	26.43	4.58	-
Total	1.56	3.77	36.41	39.36	11.94

23 Cost of material consumed

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Raw Material Consumed					
Opening Stock	823.81	437.98	783.18	1,085.49	1,083.29
Purchases	1,506.74	5,567.56	19,842.97	8,684.64	14,984.21
Closing stock	295.66	823.81	437.98	783.18	1,085.49
Total	2,034.89	5,181.73	20,188.17	8,986.94	14,982.01
Stock & Spares Consumed					
Opening Stock	65.00	65.00	10.00	65.75	55.00
Purchases	48.05	76.81	373.17	335.80	219.17
Closing stock	65.00	65.00	65.00	10.00	65.75
Total	48.05	76.81	318.17	391.55	208.42
Total	2,082.94	5,258.54	20,506.34	9,378.50	15,190.44

24 Purchases of stock in trade

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Purchases of Stock in Trade	196.72	380.65	12,754.25	17,855.09	1,044.59
Total	196.72	380.65	12,754.25	17,855.09	1,044.59

25 Change in Inventories of work in progress and finished goods

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Opening Inventories					
Finished Goods	990.03	1,862.88	670.71	891.49	384.56
Work in Progress	112.92	128.70	106.99	175.43	99.09
Less: Closing inventories					
Finished Goods	1,909.79	990.03	1,862.88	670.71	891.49
Work in Progress	94.49	112.92	128.70	106.99	175.43
Total	-901.33	888.63	-1,213.88	289.21	-583.26

26 Employee benefit expenses

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Salaries and wages	59.56	109.18	387.13	397.54	447.14
Contribution to provident and other funds	0.34	1.33	4.55	2.38	6.86
Staff welfare expenses	0.13	0.42	7.34	0.60	0.89
Total	60.03	110.93	399.03	400.52	454.89

27 Finance costs

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest expense	57.74	128.06	236.25	344.40	29.93
Other borrowing costs	1.84	0.58	24.19	1.99	14.61
Interest to Partner's Capital	-	54.28	179.59	114.75	243.30
Interest on TDS	-	-	0.00	0.03	-
Total	59.58	182.92	440.04	461.18	287.83

28 Depreciation and amortization expenses

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Depreciation on property, plant and equipment	94.80	211.41	557.99	596.29	673.61
Total	94.80	211.41	557.99	596.29	673.61

29 Other expenses

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Advertisement	-	2.10	0.56	0.60	-
Auditor's Remuneration	1.50	-	0.40	0.40	0.30
Commission	0.08	2.10	130.31	32.88	87.67
Consumption of stores and spare parts	-	-	0.77	3.93	-
Insurance	3.20	1.37	14.66	14.57	10.94
Manufacturing Expenses	-	-	6.23	15.45	-
Power and fuel	126.96	314.74	1,178.69	900.86	1,063.89
Rent	1.20	4.20	6.70	6.00	6.00
Repairs to buildings	1.39	1.51	10.36	9.50	5.00
Repairs to machinery	3.03	13.67	248.09	211.70	17.15
Repairs others	-	0.59	4.35	4.47	4.92
Rates and taxes	-	0.26	1.79	1.34	3.39
Travelling Expenses	1.80	0.51	1.87	6.32	4.25
Miscellaneous expenses	2.68	5.76	20.27	14.87	13.01
Donation	0.11	3.49	4.00	3.96	7.89
Freight, Clearing And Forwarding Charges	2.53	6.55	135.19	23.96	9.28
Labour Charges	7.32	20.71	31.88	34.04	38.74
Legal and Professional Charges	20.96	2.55	8.70	8.95	25.56
Security Charges	2.42	5.24	13.71	11.14	12.05
Foreign Exchange Loss	-	0.11	-	-	-
Total	175.18	385.46	1,818.53	1,304.94	1,310.05

Payment to Auditor	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Tax Audit Fees	0.50	-	0.20	0.20	0.15
Statutory Audit Fees	1.00	-	0.20	0.20	0.15
Total	1.50	-	0.40	0.40	0.30

30 Tax Expenses

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Current Tax	3.22	10.97	89.04	30.67	27.78
Reversal of excess provision created in previous year	-3.77	-	-	-	-
Deferred Tax Asset	8.58	24.60	71.94	-41.21	-38.03
Total	8.03	35.58	160.97	-10.54	-10.25

Significant component of deferred tax

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Deferred Tax Assets					
Gratuity Provision	-0.42	-0.93	1.80	-3.34	-6.93
Depreciation	9.00	25.54	70.14	-37.87	-31.11
Net Deferred Tax Asset/Liability	8.58	25	71.94	(41)	-38.03

Property Plant and Equipment & Intangible assets

Name of Assets	Gross Block				Depreciation and Amortization				Net Block		Rs. In Lakh
	As at 05-Aug-24	Purchase during the year	Deduction	As at 30-Sep-24	As at 05-Aug-24	for the period	Deduction	As at 30-Sep-24	As at 30-Sep-24	As at 05-Aug-24	
Tangible Assets											
Building	1,614.63	-	-	1,614.63	817.19	12.13	-	829.32	785.31	797.43	
Plant and Equipment	8,876.47	-	-	8,876.47	4,821.06	80.03	-	4,901.09	3,975.38	4,055.41	
Furniture and Fixtures	6.91	-	-	6.91	5.89	0.04	-	5.94	0.97	1.02	
Vehicles	126.73	-	-	126.73	113.10	1.27	-	114.36	12.37	13.63	
Equipment's											
Office equipment	18.31	-	-	18.31	14.89	0.17	-	15.06	3.25	3.42	
Computers	18.08	-	-	18.08	17.18	-	-	17.18	0.90	0.90	
Electrical Installations And Equipment	236.99	-	-	236.99	210.70	1.16	-	211.86	25.13	26.29	
Total of Tangible Assets	10,898.11	-	-	10,898.11	6,000.00	94.80	-	6,094.80	4,803.31	4,898.11	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	
Total	10,898.11	-	-	10,898.11	6,000.00	94.80	-	6,094.80	4,803.31	4,898.11	

Ageing Schedule of Capital Work In Progress:					
Amount in CWIP for a period of					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-

Name of Assets	Gross Block				Depreciation and Amortization				Net Block		Net Block
	As at 01-Apr-24	Purchase during the year	Deduction	As at 04-Aug-24	As at 01-Apr-24	for the period	Deduction	As at 04-Aug-24	As at 04-Aug-24	As at 01-Apr-24	
Tangible Assets											
Building	1,614.63	-	-	1,614.63	790.15	27.05	-	817.19	797.43	824.48	
Plant and Equipment	8,874.74	1.73	-	8,876.47	4,642.59	178.47	-	4,821.06	4,055.41	4,232.15	
Furniture and Fixtures	6.91	-	-	6.91	5.79	0.10	-	5.89	1.02	1.12	
Vehicles	160.54	0.21	34.02	126.73	110.28	2.82	-	113.10	13.63	50.26	
Equipment's											
Office equipment	17.53	0.78	-	18.31	14.50	0.39	-	14.89	3.42	3.03	
Computers	18.08	-	-	18.08	17.18	-	-	17.18	0.90	0.90	
Electrical Installations And Equipment	236.99	-	-	236.99	208.12	2.58	-	210.70	26.29	28.87	
Total of Tangible Assets	10,929.41	2.72	34.02	10,898.11	5,788.59	211.41	-	6,000.00	4,898.11	5,140.82	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	
Total	10,929.41	2.72	34.02	10,898.11	5,788.59	211.41	-	6,000.00	4,898.11	5,140.82	

Ageing Schedule of Capital Work In Progress:					
Amount in CWIP for a period of					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-

Name of Assets	Gross Block				Depreciation and Amortization				Net Block		Net Block
	As at 01-Apr-23	Purchase during the year	Deduction	As at 31-Mar-24	As at 01-Apr-23	for the period	Deduction	As at 31-Mar-24	As at 31-Mar-24	As at 01-Apr-23	
Tangible Assets											
Building	1,614.63	-	-	1,614.63	703.56	86.58	-	790.15	824.48	911.06	
Plant and Equipment	7,344.02	1,550.31	19.59	8,874.74	4,205.44	437.15	-	4,642.59	4,232.15	3,138.58	
Furniture and Fixtures	6.91	-	-	6.91	5.40	0.39	-	5.79	1.12	1.51	
Vehicles	160.54	-	-	160.54	87.45	22.83	-	110.28	50.26	73.09	
Equipment's											
Office equipment	16.62	0.91	-	17.53	13.54	0.96	-	14.50	3.03	3.08	
Computers	18.08	-	-	18.08	17.18	-	-	17.18	0.90	0.90	
Electrical Installations And Equipment	236.99	-	-	236.99	198.04	10.08	-	208.12	28.87	38.96	
Total of Tangible Assets	9,397.78	1,551.21	19.59	10,929.41	5,230.60	557.99	-	5,788.59	5,140.81	4,167.18	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	
Total	9,397.78	1,551.21	19.59	10,929.41	5,230.60	557.99	-	5,788.59	5,140.81	4,167.18	

Ageing Schedule of Capital Work In Progress:					
Amount in CWIP for a period of					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-

Name of Assets	Gross Block				Depreciation and Amortization				Net Block		Net Block
	As at 01-Apr-22	Purchase during the year	Deduction	As at 31-Mar-24	As at 01-Apr-22	for the period	Deduction	As at 31-Mar-23	As at 31-Mar-23	As at 01-Apr-22	
Tangible Assets											
Building	1,614.63	-	-	1,614.63	607.89	95.67	-	703.56	911.06	1,006.74	
Plant and Equipment	7,332.42	11.59	-	7,344.02	3,753.18	452.25	-	4,205.44	3,138.58	3,579.24	
Furniture and Fixtures	6.91	-	-	6.91	4.87	0.53	-	5.40	1.51	2.04	
Vehicles	160.54	-	-	160.54	54.25	33.20	-	87.45	73.09	106.28	
Equipment's											
Office equipment	16.62	-	-	16.62	12.51	1.03	-	13.54	3.08	4.12	
Computers	18.08	-	-	18.08	17.17	0.00	-	17.18	0.90	0.90	
Electrical Installations And Equipment	236.99	-	-	236.99	184.43	13.61	-	198.04	38.96	52.56	
Total of Tangible Assets	9,386.19	11.59	-	9,397.78	4,634.31	596.29	-	5,230.60	4,167.18	4,751.88	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	
Total	9,386.19	11.59	-	9,397.78	4,634.31	596.29	-	5,230.60	4,167.18	4,751.88	

Ageing Schedule of Capital Work In Progress:					
Amount in CWIP for a period of					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-

Name of Assets	Gross Block				Depreciation and Amortization				Net Block		Net Block
	As at 01-Apr-21	Purchase during the year	Deduction	As at 31-Mar-22	As at 01-Apr-21	for the period	Deduction	As at 31-Mar-22	As at 31-Mar-22	As at 01-Apr-21	
Tangible Assets											
Building	1,597.99	16.64	-	1,614.63	503.08	104.80	-	607.89	1,006.74	1,094.90	
Plant and Equipment	7,322.36	10.06	-	7,332.42	3,236.01	517.17	-	3,753.18	3,579.24	4,086.35	
Furniture and Fixtures	6.63	0.28	-	6.91	4.25	0.62	-	4.87	2.04	2.38	
Vehicles	49.48	111.05	-	160.54	23.28	30.97	-	54.25	106.28	26.20	
Equipment's											
Office equipment	16.62	-	-	16.62	10.83	1.68	-	12.51	4.12	5.79	
Computers	18.08	-	-	18.08	17.17	0.00	-	17.17	0.90	0.91	
Electrical Installations And Equipment	236.99	-	-	236.99	166.07	18.36	-	184.43	52.56	70.92	
Total of Tangible Assets	9,248.16	138.03	-	9,386.19	3,960.70	673.61	-	4,634.31	4,751.88	5,287.46	
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	
Total	9,248.16	138.03	-	9,386.19	3,960.70	673.61	-	4,634.31	4,751.88	5,287.46	

Ageing Schedule of Capital Work In Progress:					
Amount in CWIP for a period of					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	-	-

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS

Rs. In Lakh

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding Amount as per Books (As on 30th Sep 2024)
Bank of Baroda	Working Capital Term Loan	700.00	Exclusive 1st Charge by the way of Hypothecation of entire Machineries, Electrical	9.25	Repayable in 60 EMI	Two Year	583.33
Bank of Baroda	Working Capital Term Loan	292.00		9.25	Repayable in 48 EMI	One Year	83.33
Bank of Baroda	Purchase and installation of Solar PV Ground Mounted Power Plant For 4 MWp	1,285.00	Solar PV Ground Mounted Power Plant For 4 MWp	9.15	Repayable in 60 EMI	9 Months	1,239.28
Bank of Baroda	For Working Capital	1,600.00	Exclusive 1st Charge by the way of Hypothecation of entire Raw materials, stock in process, stores & Spares, packing material, finished goods and book debts of the company , both present & future.	10.00	On Demand	NIL	1,588.13
Total							3,494.08

* All the Secured Borrowings are secured by personal guarantee of shareholders and a corporate guarantee provided by M/s. Avadh cotton industries and partners.

STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS

Rs. In Lakh

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding Amount as per Books (As on 30th Sep 2024)
Unsecured Term loans from other parties :							
Ashmita Rameshbhai Patel	NA	NA	NA	NA	NA	NA	16.01
Babulal Parsottamdas Patel	NA	NA	NA	NA	NA	NA	133.41
Chirag Babulal Patel	NA	NA	NA	NA	NA	NA	106.73
Darshita Vipulkumar Patel	NA	NA	NA	NA	NA	NA	4.76
Jyotsanaben Ghanshyambhai Patel	NA	NA	NA	NA	NA	NA	14.19
Popatlal Girdharlal Company	NA	NA	NA	NA	NA	NA	31.59
Popatlal Girdharlal Cotton Company	NA	NA	NA	NA	NA	NA	64.69
Gautam commodities (D.S)	NA	NA	NA	NA	NA	NA	-
Jesmin Vishnubhai Patel	NA	NA	NA	NA	NA	NA	-
Unsecured Loans and advances from related parties :							
Preet Vishnubhai Patel	NA	NA	NA	NA	NA	NA	2.00
Bharatbhai P. Patel	NA	NA	NA	NA	NA	NA	164.53
Gautam Bharatbhai Patel	NA	NA	NA	NA	NA	NA	264.81
Gautambhai Patel	NA	NA	NA	NA	NA	NA	330.93
Jasmin Vishnubhai Patel	NA	NA	NA	NA	NA	NA	234.93
Vishnubhai P. Patel	NA	NA	NA	NA	NA	NA	146.47
Total							1,515.06

Annexure IX: Statement of Related Party Transactions

Related Party Disclosure:

(i) List of Related Parties

Ambica Cotseeds Limited
 Avadh Cotton Industries
 Vivekanand Industries
 Ambica Cotseeds Pte Ltd
 Kapilaben Vishnubhai Patel
 Ranjanben Bharatbhai Patel
 Kantaben Prahladbhai Patel
 Preet Vishnubhai Patel
 Prahladbhai Patel
 Patel Bharatbhai Prahladbhai
 Patel Gautambhai Bharatbhai
 Patel Jasmin Vishnubhai
 Patel Nirav Bharatbhai
 Patel Vishnubhai Prahladbhai

Relationship

Entity over which promoter / director exercise significant influence
 Entity over which promoter / director exercise significant influence
 Entity over which promoter / director exercise significant influence
 Entity over which promoter / director exercise significant influence
 Relative of Promoter
 Promoter / Director/Partner(In LLP)
 Promoter/Partner(In LLP)
 Promoter / Director/Partner(In LLP)
 Promoter / Director/Partner(In LLP)
 Promoter / Director/Partner(In LLP)

(ii) Related Party Transactions

Rs. In Lakh

Particulars	Relationship	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Purchase of Goods						
- Ambica Cotseeds Limited	Entity over which promoter / director exercise significant influence	-0.58	13.22	3,934.82	20,441.20	10,131.90
- Avadh Cotton Industries	Entity over which promoter / director exercise significant influence	-	-	139.90	2,089.78	-
- Vivekanand Industries	Entity over which promoter / director exercise significant influence	340.33	759.28	1,886.44	652.27	2,383.94
- Kapilaben Vishnubhai Patel	Relative of Promoter	-	-	3.65	-	-
- Kantaben Prahladbhai Patel	Relative of Promoter	-	-	3.62	-	-
- Patel Bharatbhai Prahladbhai	Promoter / Director/Partner(In LLP)	-	-	3.36	-	-
- Ambica Cotseeds Pte Ltd	Entity over which promoter / director exercise significant influence	468.61	-	-	-	-
Receipt of Loan/Capital						
-Patel Nirav Bharatbhai	Promoter / Director/Partner(In LLP)	85.50	-	-	-	-
-Patel Vishnubhai Prahladbhai	Promoter / Director/Partner(In LLP)	4.30	-	-	-	-
-Preet Vishnubhai Patel	Relative of Promoter	-	-	-	-	88.25
-Patel Jasmin Vishnubhai	Promoter / Director/Partner(In LLP)	-	9.01	-	-	-
-Patel Gautambhai Bharatbhai	Promoter/Partner(In LLP)	20.07	-	-	-	-
-Patel Bharatbhai Prahalbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
Repayment of Loan/Capital						
-Patel Nirav Bharatbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
-Patel Vishnubhai Prahladbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
-Patel Bharatbhai Prahalbhai	Promoter / Director/Partner(In LLP)	3.25	-	-	-	-
-Patel Gautambhai Bharatbhai	Promoter/Partner(In LLP)	0.92	-	-	-	-
-Patel Jasmin Vishnubhai	Promoter / Director/Partner(In LLP)	0.54	-	-	-	-
-Preet Vishnubhai Patel	Relative of Promoter	-	-	-	6.25	80.00
Addition of Capital						
-Patel Nirav Bharatbhai	Partner(In LLP)	-	158.64	171.25	385.58	495.66
-Patel Vishnubhai Prahladbhai	Partner(In LLP)	-	18.08	60.96	153.85	213.03
-Patel Jasmin Vishnubhai	Partner(In LLP)	-	188.74	53.00	57.30	364.95
-Patel Gautambhai Bharatbhai	Partner(In LLP)	-	100.15	3.75	142.71	339.88
-Patel Bharatbhai Prahalbhai	Partner(In LLP)	-	25.38	218.25	206.65	178.25
Withdrawal of Capital						
-Patel Nirav Bharatbhai	Partner(In LLP)	-	194.14	781.12	415.23	198.43
-Patel Vishnubhai Prahladbhai	Partner(In LLP)	-	49.49	142.94	158.14	408.12
-Patel Bharatbhai Prahalbhai	Partner(In LLP)	-	31.24	293.14	176.06	452.26
-Patel Gautambhai Bharatbhai	Partner(In LLP)	-	30.64	470.50	130.83	192.66
-Patel Jasmin Vishnubhai	Partner(In LLP)	-	43.99	365.95	129.11	327.88
Interest on Capital						
-Patel Nirav Bharatbhai	Partner(In LLP)	-	10.68	47.74	36.07	51.34
-Patel Vishnubhai Prahladbhai	Partner(In LLP)	-	9.33	24.40	12.23	49.97
-Patel Bharatbhai Prahalbhai	Partner(In LLP)	-	9.39	18.56	9.66	49.67
-Patel Gautambhai Bharatbhai	Partner(In LLP)	-	11.57	49.07	29.54	47.39
-Patel Jasmin Vishnubhai	Partner(In LLP)	-	13.31	39.82	27.24	44.93
Interest on Loan/Capital						
-Patel Nirav Bharatbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
-Patel Vishnubhai Prahladbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
-Patel Bharatbhai Prahalbhai	Promoter / Director/Partner(In LLP)	-	-	-	-	-
-Patel Gautambhai Bharatbhai	Promoter/Partner(In LLP)	0.34	-	-	-	-
-Patel Jasmin Vishnubhai	Promoter / Director/Partner(In LLP)	0.15	-	-	-	-
Sale of Goods						
- Ambica Cotseeds Limited	Entity over which promoter / director exercise significant influence	524.57	3,564.34	14,012.79	3,281.58	10,834.30
- Vivekanand Industries	Entity over which promoter / director exercise significant influence	55.12	1,745.21	9,870.98	14,878.46	-

Payment of Rent for use of Property					
- Avadh Cotton Industries	Entity over which promoter / director exercise significant influence	-	-	4.80	4.80
- Kapilaben Vishnubhai Patel	Relative of Promoter	-	-	0.35	-
- Ranjanben Bharatbhai Patel	Relative of Promoter	-	-	0.35	-
- Kantaben Prahladbhai Patel	Relative of Promoter	-	-	1.20	-
Assets Purchase					
- Avadh Cotton Industries	Entity over which promoter / director exercise significant influence	-	-	-	4.30

(iii) Related Party Balances

Rs. In Lakh

Particulars	Relationship	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Advance from Customer						
- Ambica Cotseeds Limited	Entity over which promoter / director exercise significant influence	237.07	33.89	-	-	-
Creditor						
- Vivekanand Industries	Entity over which promoter / director exercise significant influence	204.94	300.00	-	-	-
- Ambica Cotseeds Limited	Entity over which promoter / director exercise significant influence	-0.01	-	-	192.09	-
- Ambica Cotseeds Pte Ltd	Entity over which promoter / director exercise significant influence	341.98	-	-	-	-
Loan Payable						
-Patel Vishnubhai Prahladbhai	Promoter / Director/Partner(In LLP)	146.47	-	-	-	-
-Patel Nirav Bharatbhai	Promoter/Partner(In LLP)	234.93	-	-	-	-
-Patel Jasmin Vishnubhai	Promoter / Director/Partner(In LLP)	330.93	9.01	-	-	-
-Patel Gautambhai Bharatbhai	Promoter / Director/Partner(In LLP)	264.81	-	-	-	-
-Patel Bharatbhai Prahalbhai	Promoter / Director/Partner(In LLP)	164.53	-	-	-	-
-Patel Preet Vishnubhai	Relative of Promoter	2.00	2.00	2.00	2.00	8.25
Creditor for Rent						
- Avadh Cotton Industries	Entity over which promoter / director exercise significant influence	-	-	-	-	-
Advance From Customer						
- Vivekanand Industries	Entity over which promoter / director exercise significant influence	273.47	27.66	-	-	-

Lease Disclosure:

Operating Lease

Particulars	Rs. In Lakh				
	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
(i) Lease Payment Recognized in Profit and Loss Account	1.20	4.20	6.70	6.00	6.00
(ii) Total of future minimum lease payments (excluding tax) under non- cancellable operating leases for					
(a) not later than one year;	7.20	9.00	9.00	9.00	9.00
(b) later than one year and not later than five years;	28.80	36.00	36.00	36.00	36.00
(c) later than five years;	36.00	99.00	102.00	111.00	120.00

Earning per share:

Particulars	Rs. In Lakh				
	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Profit for the year	38.79	103.49	359.04	-57.35	-69.62
Less: Dividend on Preference Shares	-	-	-	-	-
Profit attributable to equity shareholders	38.79	103.49	359.04	-57.35	-69.62
Weighted average number of Equity Shares	1,50,00,000.00	1,50,00,000.00	1,50,00,000.00	1,50,00,000.00	1,50,00,000.00
Earnings per share basic (Rs)	0.26	0.69	2.39	-0.38	-0.46
Earnings per share diluted (Rs)*	0.26	0.69	2.39	-0.38	-0.46
Face value per equity share (Rs)	10.00	10.00	10.00	10.00	10.00

* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

Contingent Liabilities and Commitments:

Particulars	Rs. In Lakh				
	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Direct Tax Demand	2.59	2.59	2.59	2.57	2.57
Indirect tax Demand	-	-	-	-	-
Total	2.59	2.59	2.59	2.57	2.57

The company has reviewed all potential contingent liabilities as of the reporting date. Based on this review and in accordance with the relevant accounting standards, the company confirms that there are no contingent liabilities as at 30th September 2024 other than those stated above. The company is not aware of any other events or conditions other than stated above that might give rise to contingent liabilities requiring disclosure or provision under applicable accounting standards.

Ratio Analysis:

Particulars	Numerator/Denominator	30th September 2024	31 March 2024	31 March 2023	31st March 2022
(a) Current Ratio	Current Assets		0.97	0.80	1.11
	Current Liabilities				1.59
% Change		21.74%	-28.03%	-29.98%	-
(b) Debt-Equity Ratio	Total Debts	3.26	1.80	0.99	1.32
%Change	Shareholder's Equity	81.23%	80.83%	-24.68%	-
(c) Return on Equity Ratio	Profit after Tax	7.00%	13.22%	-1.80%	-2.27%
%Change	Average Shareholder's Equity	-47.05%	836.06%	21.06%	-
(d) Inventory turnover ratio	Total Turnover	3.86	17.59	15.93	9.52
%Change	Average Inventories	-78.08%	10.40%	67.26%	-
(e) Trade receivables turnover ratio	Total Turnover	20.08	59.21	56.16	38.57
%Change	Average Account Receivable	-66.09%	5.44%	45.58%	-
(f) Trade payables turnover ratio	Total Purchases	5.11	23.82	65.66	48.37
%Change	Average Account Payable	-78.55%	-63.72%	35.74%	-
(g) Net Working capital turnover ratio	Total Turnover	-87.53	-45.15	106.30	15.88
%Change	Net Working Capital	-93.88%	-142.47%	569.33%	-
(h) Net profit ratio	Net Profit	1.52%	1.00%	-0.19%	-38.07%
%Change	Total Turnover	51.22%	628.49%	99.50%	-
(i) Debt service coverage ratio	EBIT	0.41	2.10	0.18	0.13
%Change	Debt Service	-412.64%	91.46%	25.35%	-
(j) Return on Investment	Return on investment	-	-	-	-
	Cost of Investment				

For the period ended 30th September 2024 , compared with 31st March 2024

For the above ratios , change in the ratios have been considered between 30th September 2024 and 31st march 2024 , and as the periods are not comparable we have assumed that the ratio as on 30th September will remain constant through out the current year.

1. Debt-Equity ratio increased due to conversion of Partners' Current Capital into Unsecured Loan from Directors due which the change in the total debt is not in proportion with shareholders fund.
2. Decrease in return on equity share is due to the reason that the business of the organization is seasonal in nature ,and the change in profit after tax of the period under consideration is not in proportion to the change in shareholders fund.
3. Decrease in inventory turnover ratio is due to the reason that the business of the organization is seasonal in nature ,and the change in turnover of the period under consideration is not in proportion to the change in inventories.
4. Decrease in the trade receivable turnover ratio is due to more credit sales done by the company as compared with the previous year.
5. Decrease in the trade payable ratio is due to lower average trade payable for the period ended 31st March,2024 as the trade payable was much lower for the year ended 31st March,2023 and purchases remained constant through out the period.
6. Decrease in the net capital turnover ratio is due to a sudden decrease in the working capital of the company.
7. The increase in the net profit of the company is due to better performance by the company in the current year and decrease in the cost of operation by the company.
8. Decrease in the debt service coverage ratio is due to higher repayment of Loans compare to previous period.

For the period ended 31st March 2024 , compared with 31st March 2023

1. Current ratio is reduced due to higher utilization of working capital limit compared to previous year
2. Debt to equity ratio has increased due to increase in the borrowings by the company from bank and other parties in the current year
3. Return on Equity Ratio has increased due to higher margins
4. Decrease in the trade payable ratio is due to the reason that change in the purchases of the company is not in proportion with the change in average trade payables by the company at the year end , when compared with the previous year
5. Net capital turnover ratio has decreased because of the decrease in working capital of the company when compared with previous year
6. Net profit of the company has increased due to higher margins and improved performance of the company
7. Increase in the debt service coverage ratio is due to increase in the EBIT of the company

For the period ended 31st March 2023, compared with 31st March 2022

1. Current ratio is reduced due to higher utilization of working capital limit compared to previous year
2. Increase in the inventory turnover ratio is because the change in the turnover of the company is not in proportion with the change in average inventories of the company when compared with the previous year
3. Increase in the trade receivable turnover ratio is because the change in the turnover of the company is not in proportion with the change in average trade receivables of the company when compared with the previous year
4. Increase in the trade payable turnover ratio is because the change in the purchases of the company is not in proportion with the change in average trade payables of the company when compared with the previous year
5. Net capital turnover ratio of the company has increased due to significant increase in the turnover of the company when compared with the previous year
6. Net profit ratio of the company has increased due to increase in the turnover and margin of the company

Annexure V**MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENTS****1. Material Regrouping;**

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

Particulars	Rs. In Lakh				
	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	38.41	103.49	366.39	95.89	84.65
1. Add / (Less) : Gratuity provision booked	-	-	7.16	-13.26	-27.53
2. Add / (Less) : Deferred tax provision booked	-	-	-71.94	41.21	38.03
3. Add / (Less) : Income tax provision booked	-	-	-	-30.67	-27.78
4. Add / (Less) : Change in Method of Depreciation	-	-	57.43	-150.53	-136.99
Total (B)	-	-	-7.35	-153.25	-154.27
Net Profit as Restated (A+B)	38.41	103.49	359.04	-57.35	-69.62

3. Restated Reserve & Surplus/Net Worth

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	Rs. In Lakh				
	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Equity Share Capital & Reserves & Surplus as per Audited financial Statement	1,538.79	2,527.02	2,701.39	3,701.85	3,554.47
Add/(Less) : Opening Balance Adjustment to the Reserves & Surplus	-	-	-524.73	-371.48	-217.21
Add/(Less) : Income Tax Provision Adjustment in Audited Financials	-	-	58.45	27.78	-
Add/(Less) : Adjustments on account of change in Profit/Loss	-	-	-64.78	-2.72	-17.28
Add/(Less): Prior Period Adjustment due to change in Method of Depreciation	-	-	57.43	-150.53	-136.99
Total Adjustments (B)	-	-	-473.63	-496.95	-371.48
Equity Share Capital & Reserves & Surplus as per Restated Financial Statement	1,538.79	2,527.02	2,227.76	3,204.90	3,182.99

4. Restated Short Term & Long Term Provisions

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Provisions as per Audited financial Statement	112.19	97.28	159.00	80.54	102.63
Add/(Less) : Gratuity Provision Adjustment	-	-	33.62	40.79	27.53
Add/(Less) : Re-grouping Adjustment	-	-	-42.82	-8.29	-47.63
Total Adjustments (B)	-	-	-9.20	32.50	-20.10
Provisions as per Restated Financial Statement	112.19	97.28	149.80	113.03	82.53

5. Restated Short Term Loans and Advances

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Restated Short Term Loans and Advances as per Audited financial Statement	544.25	454.85	385.17	213.70	1,271.52
Add/(Less) : Income Tax Refund Adjustment	-	-	-	22.92	10.27
Add/(Less) : Re-grouping Adjustment	-	-	23.28	-44.42	-486.19
Total Adjustments (B)	-	-	23.28	-21.50	-475.92
Restated Short Term Loans and Advances as per Restated Financial Statement	544.25	454.85	408.45	192.21	795.60

6. Restated Property Plant and Equipment & Intangible assets

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Property Plant and Equipment & Intangible assets as per Audited financial Statement	4,803.31	4,898.11	5,144.43	4,228.23	4,662.39
Add/(Less) : Opening balance adjustment	-	-	-61.04	89.49	226.48
Add/(Less) : Depreciation Adjustment for the year	-	-	57.43	-150.53	-136.99
Total Adjustments (B)	-	-	-3.62	-61.04	89.49
Property Plant and Equipment & Intangible assets as per Restated Financial Statement	4,803.31	4,898.11	5,140.82	4,167.18	4,751.88

7. Notes on Material Adjustments pertaining to prior years

(1) **Difference on Account of Provision for Current tax:** Since the Restated profit has been changed so that the Provision for current tax is also got changed

(2) **Difference on Account of Change in Deferred Tax:** Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act and the gratuity provision made in Restated financials but in Audited financials the same has not been considered as the same was Limited Liability Partnership.

(3) **Difference on Account of Change in Method of Depreciation:** In Audited Financials the Depreciation was charged as per the Income Tax Act in the books of Partnership Firm but while doing restatement, the Depreciation is charged as per the method specified in Schedule III of companies Act.

Government Grants:

Rs. In Lakh

Particulars	For the period ended 30th Sep 24	For the period ended 4th Aug 24	For the period ended 31st March 2024	For the period ended 31st March 2023	For the period ended 31st March 2022
Government Grants recognized in Financial Statements					
Capital Nature	-	-	-	-	-
Revenue Nature	28.33	76.79	305.16	95.32	462.74

Annexure VI

Statement of Tax Shelter, As Restated

Rs. In Lakh

Particulars	As At				
	September 30, 2024	August 4, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Profit Before Tax as per books of accounts (A)	46.82	139.07	520.01	(67.90)	(79.87)
-- Normal Tax rate	22.00%	22.00%	30.00%	30.00%	30.00%
-- Minimum Alternative Tax rate	NA	NA	NA	NA	NA
Permanent differences					
Other adjustments					
Interest on TDS/TDS Written Off					
Loss on sale of Investment					
Allowance of Expenses under the Income Tax Act Section 35					
Disallowance of Income under the Income Tax Act					
Disallowance of Expenses under the Income Tax Act	1.73	5.99	0.32	15.71	31.92
Total (B)	1.73	5.99	0.32	15.71	31.92
Timing Differences					
Depreciation as per Books of Accounts	94.80	211.41	557.99	596.29	673.61
Depreciation as per Income Tax	130.57	312.88	836.67	445.81	536.62
Difference between tax depreciation and book depreciation	-35.77	-101.47	-278.67	150.49	136.99
Bonus / Gratuity Provision in Books	-	-			
Bonus Gratuity Actually Paid	-	-			
Deduction under chapter VI-A	-	-			
Total (C)	-35.77	-101.47	-278.67	150.49	136.99
Net Adjustments (D = B+C)	-34.04	-95.48	-278.35	166.20	168.91
Total Income (E = A+D)	12.78	43.59	241.66	98.30	89.04
Brought forward losses set off					
Taxable Income/ (Loss) for the year/period (E+F)	12.78	43.59	241.66	98.30	89.04
Tax Payable for the year	3.22	10.97	84.45	30.67	27.78
Interest Expenses	-	-	4.58	-	-
Less: Credit u/s 115 JAA Utilized					
Total Tax Expense	3.22	10.97	89.03	30.67	27.78
Tax payable as per MAT	-	-	-	-	-
Tax expense recognised for current year	3.22	10.97	89.03	30.67	27.78

Annexure VII
Statement of Capitalization, As Restated

Rs. In Lakh

Particulars	Pre-Issue	Post Issue*
	30th September 2024	
Debt :		
Long Term Debt	2,847.42	[●]
Short Term Debt	2,161.72	[●]
Total Debt	5,009.14	[●]
Shareholders Funds		
Equity Share Capital	1,500.00	[●]
Reserves and Surplus	38.79	[●]
Less: Misc. Expenditure	-	-
Total Shareholders' Funds	1,538.79	[●]
Long Term Debt/ Shareholders' Funds	1.85	[●]
Total Debt/ Shareholders Fund	3.26	[●]
* Assuming Full Allotment of IPO shares		

OTHER FINANCIAL INFORMATION

(Rs.in Lakhs)

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Profit as Restated (A)	38.79	103.49	359.04	(57.35)	(69.62)
Add: Depreciation	94.80	211.41	557.99	596.29	673.61
Add: Finance Cost	59.58	182.92	440.04	461.18	287.83
Add: Income Tax/ Deferred Tax	(5.83)	35.98	160.97	65.21	(10.25)
Less: Other Income	1.56	3.77	36.41	39.36	11.94
EBITDA	199.63	529.63	1,481.64	950.21	869.63
EBITDA Margin (%)	11.01%	7.01%	4.14%	3.15%	4.76%
Net Worth as Restated (B)	1,538.79	2,527.03	2,227.76	3,204.90	3,183.00
Return on Net worth (%) as Restated (A/B)	2.52%	4.10%	16.12%	-1.79%	-2.19%
Equity Share at the end of year (in Nos.) (C)	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Weighted No. of Equity Shares (in Nos.) (D)	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Weighted No. of Equity Shares Considering Bonus & Split Impact (E) (Post Bonus after restated period with retrospective effect)	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Basic & Diluted Earnings per Equity Share as Restated (A/D)	0.26	0.69	2.39	-0.38	-0.46
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)	0.26	0.69	2.39	-0.38	-0.46
Net Asset Value per Equity share as Restated (B/C)	10.26	16.85	14.85	21.37	21.22
Net Asset Value per Equity share as Restated after considering Bonus & Split Impact with retrospective effect (B/E)	10.26	16.85	14.85	21.37	21.22

Note:

- EBITDA Margin = EBITDA/Total Revenues
- Net worth= Paid up share capital plus reserves and surplus less miscellaneous expenditure to the extent not written off
- Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year
- Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
- Net asset value/Book value per share (₹) = Net worth / No. of equity shares
- The Company does not have any revaluation reserves or extra-ordinary items.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 25 and "Forward Looking Statements" beginning on page 18, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the year ended September 30, 2024, August 04, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our company" on Page No. 188 of the Draft Red Herring Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Overview

Our company is engaged in the business of cotton processing and yarn manufacturing sector by way of Ginning of cotton and spinning of cotton yarn along with its trading. The products manufactured at our Company include Cotton bales, cotton seeds and Cotton yarn. The company operates in two primary areas: cotton ginning and spinning. In the ginning process, it separates cotton fibers from seeds, which is the first step in preparing raw cotton for textile production. Following this, the company focuses on spinning, where the clean cotton fibers are turned into yarn. This yarn, produced in various counts and quality grades, is used by textile mills for weaving and knitting fabrics.

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of "Vivekanand Cotspin LLP" pursuant to provisions of Limited Liability Partnership Act, 2008 ("LLP Act"), bearing registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style of "Vivekanand Cotspin Private Limited" pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General Meeting held on December 2, 2024 and consequently the name of our company was changed from "Vivekanand Cotspin Private Limited" to "Vivekanand Cotspin Limited" vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of our Company is U13111GJ2024PLC154066

Our registered office and manufacturing unit is situated at S/no 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujrat, India.

The company's product range is centered on cotton yarn, including carded and combed yarn, which caters to both domestic and international markets. Vivekanand Cotspin serves a wide array of industries that require high-quality yarn for fabric production, and its reach extends beyond India, with exports to various countries. The company operates spinning mills, utilizing modern machinery to ensure efficient production while maintaining quality control.

The manufacturing facility of our Company is situated at Rangpurda, Kadi of Mahesana District in Gujarat state which is close to the rich cotton growing areas of Maharashtra and Saurashtra (region) of Gujarat. The company has established a capacity of the spindle of total 25,536 spindle, and 32 ginning units. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team in spinning is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry.

The Promoters of our Company Mr. Nirav Bharatbhai Patel, Mr. Jasmin Vishnubhai Patel, Mr. Bharatbhai Prahaladbhai Patel, Mr. Vishnubhai Prahaladdas Patel and Mr. Gautam Bharatkumar Patel have 13, 05, 13, 13 and 09 years of experience in the cotton textile industry. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw

cotton, Cotton bales, Cotton seeds, yarn and by-products. Under the leadership of our promoter, we have been able to maintain cordial customer relationship and generate repeated order flows.

For the fiscal year ended on September 30, 2024, August 04, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 the total revenue of our Company stood at Rs.1,814.73 Lakhs, Rs.7,557.61 Lakhs, Rs. 35,782.31 Lakhs, Rs.30,217.83 Lakhs, Rs. 18,298.28 Lakhs respectively. Further, our PAT for the fiscal year ended on September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 were Rs. 38.79 Lakhs, Rs. 103.49 Lakhs, Rs. 359.04 Lakhs, Rs. (57.35) Lakhs, Rs. (69.62) Lakhs respectively.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Restated Standalone Financial Statements under chapter titled “Restated Financial Statements” beginning on page 188 of this Draft Red Herring Prospectus.

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 25 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Fluctuation in the prices of raw material.
2. Natural disasters, geopolitical factors, or poor harvests can lead to supply shortages or increased raw material costs.
3. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
4. Fail to attract, retain and manage the transition of our management team and other skilled employees;
5. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
6. Ability to respond to technological changes;
7. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Recession in the market;
10. Changes in laws and regulations relating to the industries in which we operate;
11. Our ability to expand our geographical area of operation
12. Effect of lack of infrastructure facilities on our business;
13. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

RESULTS OF OUR OPERATION

(Rs.in Lakhs)

Particulars	For The Period/Year Ended									
	September 30, 2024	% of Total Revenue	August 04, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Revenue:										

Revenue from Operations	1,813.17	99.91%	7,553.83	99.95%	35,745.91	99.90%	30,178.47	99.87%	18,286.34	99.93%
Other income	1.56	0.09%	3.77	0.05%	36.41	0.10%	39.36	0.13%	11.94	0.07%
Total revenue	1,814.73	100.00%	7,557.61	100.00%	35,782.31	100.00%	30,217.83	100.00%	18,298.28	100.00%
Expenses:										
Cost of material consumed	2,082.94	114.78%	5,258.54	69.58%	20,506.34	57.31%	9,378.50	31.04%	15,190.44	83.02%
Purchases of Stock-In-Trade	196.72	10.84%	380.65	5.04%	12,754.25	35.64%	17,855.09	59.09%	1,044.59	5.71%
Change in Inventories of WIP, Finished Goods & Stock in Trade	-901.33	-49.67%	888.63	11.76%	-1,213.88	-3.39%	289.21	0.96%	-583.26	-3.19%
Employees Benefit Expenses	60.03	3.31%	110.93	1.47%	399.03	1.12%	400.52	1.33%	454.89	2.49%
Finance costs	59.58	3.28%	182.92	2.42%	440.04	1.23%	461.18	1.53%	287.83	1.57%
Depreciation and Amortization	94.80	5.22%	211.41	2.80%	557.99	1.56%	596.29	1.97%	673.61	3.68%
Other expenses	175.18	9.65%	385.46	5.10%	1,818.53	5.08%	1,304.94	4.32%	1,310.05	7.16%
Total Expenses	1,767.92	97.42%	7,418.54	98.16%	35,262.30	98.55%	30,285.73	100.22%	18,378.15	100.44%
Profit before exceptional and extraordinary items and tax	46.82	2.58%	139.07	1.84%	520.01	1.45%	-67.90	-0.22%	-79.87	-0.44%
Exceptional Items	-		-		-		-		-	
Profit before extraordinary items and tax	46.82	2.58%	139.07	1.84%	520.01	1.45%	-67.90	-0.22%	-79.87	-0.44%
Extraordinary items										
Profit before tax	46.82	2.58%	139.07	1.84%	520.01	1.45%	-67.90	-0.22%	-79.87	-0.44%
Tax expense :										
Current tax	-0.55	-0.03%	10.97	0.15%	89.04	0.25%	30.67	0.10%	27.78	0.15%
Deferred Tax	8.58	0.47%	24.60	0.33%	71.94	0.20%	-41.21	-0.14%	-38.03	-0.21%
Total Tax Expenses	8.03	0.44%	35.58	0.47%	160.97	0.45%	-10.54	-0.03%	-10.25	-0.06%
Profit (Loss) for the period from continuing operations	38.79	2.14%	103.49	1.37%	359.04	1.00%	-57.35	-0.19%	-69.62	-0.38%

Review of Restated Financials

Key Components of Company's Profit and Loss Statement

Revenue from operations: Revenue from operations mainly consists from Sales of Product and Services.

Other Income: Other Income Consist of Interest Income, Foreign Exchange Fluctuation & Misc. Income etc.

Expenses: Company's expenses consist of Purchase of raw material, Depreciation Expenses, Employee Benefit Expenses, Finance Cost & Other Expenses.

Employee Benefits Expense: Employee benefit expenses includes Salaries and Wages, Contribution of Provident & Other Funds, Gratuity Expenses, Staff Welfare Expenses etc.

Finance Cost: Finance Cost includes Interest & Bank Charges.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other expenses includes Packing expenses, Professional charges, Commission Expenses, Auditors Remuneration, Printing & Stationary Expenses, Rent Expenses, Travelling Expenses, Power and fuel expenses, Labour Charges, Legal and Professional Charges etc.

Review of Operations for the period ended on September 30, 2024:

Revenue from Operation

Revenue from operations for the period ended on September 30, 2024 amounting to Rs. 1,813.17 lakhs represent 99.91% of Total Revenue.

Performance During the Stub Period (April 1, 2024 – September 30, 2024)

For the stub period from April 1, 2024, to September 30, 2024, the company's primary focus has been on cotton yarn production, while the manufacturing of cotton bales has remained at a reduced pace. Given the seasonal nature of cotton bales production, operations in this segment are expected to scale up significantly during the peak season from November to March, when raw cotton availability is at its highest.

During this period, the market demand for cotton yarn and cotton bales has been relatively subdued, reflecting broader industry trends and cyclical demand patterns. However, with the onset of the peak season, demand is anticipated to gain momentum, driven by increased procurement activity from textile manufacturers and exporters.

Other Income

Other Income for the period ended on September 30, 2024 amounting to Rs. 1.56 lakhs represent 0.09% of Total Revenue.

Cost of Material Consumed

Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Closing Stock amounting to Rs. 2,082.94 Lakhs represents 114.78% of Total Revenue.

Purchases of Stock-In-Trade

Purchases of Stock-In-Trade for the period ended on September 30, 2024 amounting to Rs. 196.72 lakhs represent 10.84% of Total Revenue.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventories of WIP, Finished Goods & Stock in Trade for the period ended on September 30, 2024 amounting to Rs. (901.33) lakhs represent (49.67)% of Total Revenue.

Employee Benefit Cost

Employee benefit expenses includes Salaries and Wages, Contribution to Statutory & Other Funds, Staff welfare expenses. amounting to Rs. 60.03 Lakhs represents 3.31% of Total Revenue.

Finance Cost

Finance Cost includes Interest on Borrowings & Other borrowing cost amounting to Rs. 59.58 Lakhs represents 3.28% of Total Revenue.

Depreciation

Depreciation charged on WDV method amounting to Rs. 94.80 Lakhs represents 5.22% of Total Revenue

Other Expenses

Other expenses include Advertisement, Auditor's Remuneration, Commission, Consumption of stores and spare parts, Insurance, Manufacturing Expenses, Power and fuel, Rent, Repairs to buildings, Repairs to machinery, Repairs others, Rates and taxes, Travelling Expenses, Miscellaneous expenses, Donation, Freight, Clearing and Forwarding Charges, Labour Charges, Legal and Professional Charges, and Security Charges amounting to Rs. 175.18 Lakhs represents 9.65% of Total Revenue.

Profit Before Tax

The Profit before tax for the period ended on September 30, 2024 was Rs. 46.82 Lakhs representing 2.58% of Total Revenue.

Tax Expenses

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on September 30, 2024 was Rs. 8.03 Lakhs representing 0.44% of Total Revenue.

Profit After Tax

The Profit after tax for the period ended on September 30, 2024 was Rs. 38.79 Lakhs representing 2.14% of Total Revenue.

Review of Operations for the period ended on August 04, 2024:

Revenue from Operation

Revenue from operations for the period ended on August 04, 2024 amounting to Rs. 7,553.83 lakhs represent 99.95% of Total Revenue.

Other Income

Other Income for the period ended on August 04, 2024 amounting to Rs. 3.77 lakhs represent 0.05% of Total Revenue.

Cost of Material Consumed

Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Closing Stock amounting to Rs. 5258.54 Lakhs represents 69.58% of Total Revenue.

Purchases of Stock-In-Trade

Purchases of Stock-In-Trade for the period ended on August 04, 2024 amounting to Rs. 380.65 lakhs represent 5.04% of Total Revenue.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventories of WIP, Finished Goods & Stock in Trade for the period ended on August 04, 2024 amounting to Rs. 888.63 lakhs represent 11.76% of Total Revenue.

Employee Benefit Cost

Employee benefit expenses includes Salaries and Wages, Contribution to Statutory & Other Funds, Staff welfare expenses. amounting to Rs. 110.93 Lakhs represents 1.47% of Total Revenue.

Finance Cost

Finance Cost includes Interest on Borrowings & Other borrowing cost amounting to Rs. 182.92 Lakhs represents 2.42% of Total Revenue.

Depreciation

Depreciation charged on WDV method amounting to Rs. 211.41 Lakhs represents 2.80% of Total Revenue

Other Expenses

Other expenses include Advertisement, Auditor's Remuneration, Commission, Consumption of stores and spare parts, Insurance, Manufacturing Expenses, Power and fuel, Rent, Repairs to buildings, Repairs to machinery, Repairs others, Rates and taxes, Travelling Expenses, Miscellaneous expenses, Donation, Freight, Clearing and Forwarding Charges, Labour Charges, Legal and Professional Charges, and Security Charges amounting to Rs. 385.46 Lakhs represents 5.10% of Total Revenue.

Profit Before Tax

The Profit before tax for the period ended on August 04, 2024 was Rs. 139.07 Lakhs representing 1.84% of Total Revenue.

Tax Expenses

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on August 04, 2024 was Rs. 35.58 Lakhs representing 0.47% of Total Revenue.

Fiscal 2024 compared with Fiscal 2023

Revenue from Operation

Revenue from operations had increased by 18.44% from ₹ 30,178.47 lakhs in FY 2022-23 to ₹ 35,745.91 lakhs in FY 2023-24. The change was primarily due to increase in sales of products.

Other Income

Other income had decreased by 7.50% from ₹ 39.36 lakhs in Fiscal 2023 to ₹ 36.41 lakhs in Fiscal 2024.

Cost of Material Consumed

Cost of material consumed had increased by 118.65% from ₹ 9,378.50 lakhs in Fiscal 2023 to ₹ 20,506.34 lakhs in Fiscal 2024. The change was primarily due to increase in sales of products.

Purchases of Stock-In-Trade

Purchases of Stock-In-Trade had decreased from ₹ 17,855.09 lakhs in Fiscal 2023 to ₹ 12,754.25 lakhs in Fiscal 2024.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventories of WIP, Finished Goods & Stock in Trade had increased from ₹ 289.21 lakhs in Fiscal 2023 to ₹ 1213.88 lakhs in Fiscal 2024.

Employee Benefit Cost

Employee benefit expenses had decreased by 0.37% from Rs. 400.52 Lakhs in Fiscal 2023 to Rs. 399.03 Lakhs in Fiscal 2024 Majorly there is no sharp decrease in Salary & Wages.

Finance Cost

Finance Costs had decreased by 4.58% from ₹ 461.18 lakhs in Fiscal 2023 to ₹ 440.04 Lakhs in Fiscal 2024. This was primarily due to decrease in Interest Expenses.

Depreciation

Depreciation had decreased by 6.42% from ₹ 596.29 Lakhs in Fiscal 2023 to ₹ 557.99 lakhs in Fiscal 2024 due to sale of Property Plant & Equipments during the year.

Other Expenses

Other expenses include Advertisement, Auditor's Remuneration, Commission, Consumption of stores and spare parts, Insurance, Manufacturing Expenses, Power and fuel, Rent, Repairs to buildings, Repairs to machinery, Repairs others, Rates and taxes, Travelling Expenses, Miscellaneous expenses, Donation, Freight, Clearing and Forwarding Charges, Labour Charges, Legal and Professional Charges, and Security Charges had increased by 39.35% from ₹ 1,304.94 Lakhs in Fiscal 2023 to ₹ 1,818.53 Lakhs in Fiscal 2024. The increase was primarily due to increase in commission expenses, Power and fuel, Freight, Clearing And Forwarding Charges, & Other Misc.Expenses.

Tax Expenses

The Company's tax expenses had Increased from ₹ (10.54) Lakhs in the F.Y. 2022-23 to ₹ 160.97 Lakhs in the F.Y. 2023-24 on account of increase in the Profit Before Tax (PBT).

Profit After Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 359.04 lakhs in Fiscal 2024 as compared to a net loss of ₹ (57.35) lakhs in Fiscal 2023.

Fiscal 2023 compared with Fiscal 2022

Revenue from Operation

Revenue from operations had increased by 65.03% from ₹ 18,286.34 lakhs in FY 2021-22 to ₹ 30,178.47 lakhs in FY 2022-23. The change was primarily due to increase in sales of products.

Other Income

Other income had increased by 229.64% from ₹ 11.94 lakhs in Fiscal 2022 to ₹ 39.36 lakhs in Fiscal 2023. The change was primarily due to Interest income.

Cost of Material Consumed

Cost of material consumed had decreased by 38.26% from ₹ 15,190.44 lakhs in Fiscal 2022 to ₹ 9,378.50 lakhs in Fiscal 2023. The change was primarily due to decrease in Raw Material Consumed.

Purchases of Stock-In-Trade

Purchases of Stock-In-Trade had increased from ₹ 1044.59 lakhs in Fiscal 2022 to ₹ 17,855.09 lakhs in Fiscal 2023.

Change in Inventories of WIP, Finished Goods & Stock in Trade

Change in Inventories of WIP, Finished Goods & Stock in Trade had increased from ₹ (583.26) lakhs in Fiscal 2022 to ₹ 289.21lakhs in Fiscal 2023.

Employee Benefit Cost

Employee benefit expenses had decreased by 11.95% from Rs. 454.89 Lakhs in Fiscal 2022 to Rs. 400.52 Lakhs in Fiscal 2023 Majorly there is increase in Salary & Wages.

Finance Cost

Finance Costs had increased by 60.22% from ₹ 287.83 lakhs in Fiscal 2022 to ₹ 461.18 Lakhs in Fiscal 2023. This was primarily due to increase in Interest Expenses.

Depreciation

Depreciation had decreased by 11.47% from ₹ 673.61 Lakhs in Fiscal 2022 to ₹ 596.29 lakhs in Fiscal 2023 due to sale of Property Plant& Equipments during the year.

Other Expenses

Other expenses include Advertisement, Auditor's Remuneration, Commission, Consumption of stores and spare parts, Insurance, Manufacturing Expenses, Power and fuel, Rent, Repairs to buildings, Repairs to machinery, Repairs others, Rates and taxes, Travelling Expenses, Miscellaneous expenses, Donation, Freight, Clearing and Forwarding Charges, Labour Charges, Legal and Professional Charges, and Security Charges had increased by 0.39% from ₹ 1,310.05 Lakhs in Fiscal 2022 to ₹ 1,304.94 Lakhs in Fiscal 2023. The decrease was primarily due to increase in commission expenses, Power and fuel, Other Misc. Expenses.

Tax Expenses

The Company's tax expenses had Decreased from ₹ (10.25) Lakhs in the F.Y. 2021-22 to ₹ (10.54) Lakhs in the F.Y. 2022-23 on account of increase in the Profit Before Tax (PBT).

Profit After Tax

After accounting for taxes at applicable rates, our Company reported a net loss of ₹ 69.62 lakhs in Fiscal 2022 as compared to a net loss of ₹ 57.35 lakhs in Fiscal 2023.

Justification of Profit/Loss for the last three years and stub period:

Until August 4, 2024, Vivekanand Cotspin Limited operated as a Limited Liability Partnership (LLP). During this period, the financial statements were prepared following LLP accounting practices, which did not fully align with corporate accounting standards. Specifically, key accounting adjustments such as Deferred Tax Provision, Income Tax Provision, and Depreciation Calculation Methods were not incorporated as per the Companies Act requirements.

The financial statements were restated in accordance with corporate accounting and regulatory standards. This restatement has led to adjustments in reported profits and losses for previous financial years.

During FY 2021-22 and FY 2022-23, the company experienced financial challenges due to a downturn in the textile market. Several factors contributed to these losses:

1. **Subdued Market Demand** – The overall demand for finished textile products remained weak during these years, leading to reduced sales volume and revenue generation.
2. **Industry-wide Margin Compression** – The textile industry faced margin pressures due to high raw material costs, lower consumer spending, and global economic uncertainty. The increased cost of cotton and synthetic fibers, combined with weak pricing power, adversely impacted profitability.
3. **Macroeconomic Factors** – Unfavorable macroeconomic conditions, including inflationary pressures, supply chain disruptions, and fluctuating export demand, further deteriorated financial performance.
4. **Impact of LLP Accounting Practices** – As an LLP, certain financial provisions (such as deferred tax and income tax) were not accounted for in line with corporate accounting practices, which, upon restatement, contributed to reported losses.

Performance in FY 2023-24

In **FY 2023-24**, the company's financial performance saw a significant turnaround, driven by a combination of market recovery and improved operational efficiency. Key reasons for this positive shift include:

1. **Rebound in Market Demand** – The textile sector witnessed a strong recovery, leading to an increase in demand for finished textile products. Consumer spending improved, and export demand also picked up.
2. **Improved Margins** – Higher demand enabled the company to achieve better pricing power, leading to expanding profit margins. This was further supported by optimized cost structures and improved production efficiency.

Financial Stability in the Stub Period (April–September 2024)

During the first half of FY 2024-25 (April–September 2024), demand has remained subdued, as the peak season for textile demand typically falls between November and March. Despite the temporary slowdown, the company has managed to maintain stable margins.

Cash Flows

(₹ in lakhs)

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Cashflow from/ used in Operating Activities	(453.05)	699.12	2,388.04	1,471.80	(196.56)
Net Cashflow from/ used in Investing Activities	1.56	35.07	(1,521.65)	23.22	(353.91)
Net Cashflow from/ used in Financing Activities	666.43	(732.61)	(958.12)	(1,396.10)	452.90

Cash Flows from Operating Activities

Net cash used in operating activities for the period ended on September 30, 2024 was at ₹ (453.05) lakhs as compared to the Profit Before Tax at ₹ 46.82 lakhs This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for the period ended on August 04, 2024 was at ₹ 699.12 lakhs as compared to the Profit Before Tax at ₹ 139.07 lakhs This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2024 was at ₹ 2,388.04 lakhs as compared to the Profit Before Tax at ₹ 520.01 lakhs while for fiscal 2023 net cash from operating activities was at ₹ 1,471.80 lakhs as compared to the Profit/(Loss) Before Tax at ₹ (67.90) Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2023 was at ₹ 1,471.80 lakhs as compared to the Profit/(Loss) Before Tax at ₹ (67.90) lakhs while for fiscal 2022 Net cash used in operating activities was at ₹ (196.56) lakhs as compared to the Profit/(Loss) Before Tax at ₹ (79.87) Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Cash Flows from Investment Activities

In the Period Ended on September 30, 2024 the net cash from Investing Activities was ₹ 1.56 lakhs. This was mainly on account of Interest received.

In the Period Ended on August 04, 2024 the net cash from Investing Activities was ₹ 35.07 lakhs. This was mainly on account of Sale of Fixed Assets.

In fiscal 2024, the net cash used in Investing Activities was ₹ 1,521.65 lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2023, the net cash from Investing Activities was ₹ 23.22 lakhs. This was mainly on account of Interest received.

In fiscal 2022, the net cash used in Investing Activities was ₹ 353.91 lakhs. This was mainly on account of Purchases of Fixed Asset.

Cash Flows from Financing Activities

In the period ended on September 30, 2024, the net cash from financing activities was ₹ 666.43 lakhs. This was on account of proceeds from short term borrowings.

In the period ended on August 04, 2024, the net cash used in financing activities was ₹ (732.61) lakhs. This was on account of repayment of short-term borrowings.

In fiscal 2024, the net cash used in financing activities was ₹ (958.12) lakhs. This was on was on account of withdrawal from partner's current account.

In fiscal 2023, the net cash used in financing activities was ₹ (1,396.10) lakhs. This was on account of repayment of long-term borrowings.

In fiscal 2022, the net cash from financing activities was ₹ 452.90 lakhs. This was on account of Proceeds from Short term Borrowings and repayment of long-term borrowings.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except for any change in economic policy affecting our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 25 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

5. Increases in net sales or revenue and Introduction of new services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

6. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new Product.

7. Seasonality of business

Our Business may not be entirely seasonal, it can experience variations in activity based on these agricultural and market cycles.

8. Dependence on few customers/ clients

The percentage of contribution of our Company’s Top Customers/Clients for the period ended September 30, 2024 is as follows:

Particulars	Customers
Top Ten (%)	89.07%

9. Competitive conditions

Competitive conditions are as described under the Chapters “Industry Overview” and “Business Overview” beginning on pages 109 and 130 respectively of the Draft Red Herring Prospectus.

10. Details of material developments after the date of last balance sheet i.e. September 30, 2024

After the date of last Balance sheet i.e. September 30, 2024, the following material events have occurred after the last audited period:

- Our Company has passed a Board Resolution in Board Meeting dated November 15, 2024 and Shareholders Resolution in Extra Ordinary General Meeting held on December 2, 2024 for conversion of the Company from “Private Limited”

to “Public Limited” and subsequently Alteration in Clause I of the Memorandum of Association of the Company and Articles of Association of the Company.

- Our Company has passed a Board Resolution for Adoption of New sets of Articles of Association in Board Meeting held on November 15, 2024 and Shareholders Resolution in Extra Ordinary General Meeting held on December 2, 2024. Further, Our Company has passed Board Resolution for Alteration in Articles of Association in Board Meeting held on January 17, 2025 and Shareholders Resolution in Extra Ordinary General Meeting held on January 17, 2025.
- Our Company has passed a Board Resolution in Board meeting dated November 15, 2024 for appointment of Mr. Jasmin Vishnubhai Patel as an Additional Director w.e.f. November 15, 2024.
- We have changed the designation of Mr. Nirav Bharatbhai Patel as Chairman and Managing Director and Mr. Jasmin Vishnubhai Patel as Whole Time Director w.e.f. January 17, 2025 in Extra Ordinary General Meeting vide shareholders resolution dated January 17, 2025.
- Our Company has passed a Board Resolution for Increase in Authorized Share Capital of the Company and make consequent alteration in Clause V of Memorandum of Association in Board Meeting held on January 17, 2025 and Shareholders Resolution in Extra Ordinary General Meeting held on January 17, 2025 for the same.
- Our Company has passed Board Resolution for appointment of Mr. Sandeep Likhamania as an Additional Non-Executive Independent Director of the Company in Board Meeting held on January 17, 2025 and Regularisation of same vide Shareholders Resolution dated January 17, 2025 in Extra-Ordinary General Meeting of the Company.
- Our Company has passed Board Resolution for appointment of Mrs. Neha Agarwal as an Additional Non-Executive Independent Director of the Company in Board Meeting held on January 17, 2025 and Regularisation of same vide Shareholders Resolution dated January 17, 2025 in Extra-Ordinary General Meeting of the Company.
- Our Company has passed Board Resolution for appointment of Mr. Bharatbhai Prahaladbhai Patel as an Additional Non-Executive Director of the Company in Board Meeting held on January 17, 2025 and Regularisation of same vide Shareholders Resolution dated January 17, 2025 in Extra-Ordinary General Meeting of the Company.
- Our Company has passed Board Resolution for appointment of Mr. Vishnubhai Prahaladdas Patel as an Additional Non-Executive Director of the Company in Board Meeting held on January 17, 2025 and Regularisation of same vide Shareholders Resolution dated January 17, 2025 in Extra-Ordinary General Meeting of the Company.
- Our Company has passed Board Resolution in Board Meeting for Cessation of Mr. Vishnubhai Prahaladdas Patel from the post of Executive Director of the Company w.e.f. January 17, 2025.
- Our Company has passed Board Resolution in Board Meeting for appointment of Ms. Komal Vijaybhai Chauhan as Company Secretary and Compliance Officer of the Company w.e.f. January 17, 2025.
- Our Company has passed Board Resolution in Board Meeting for appointment of Mr. Irfan Abdulbhai Mansuri as Chief Financial Officer of the Company w.e.f. January 17, 2025.
- Our Company has constituted an Audit Committee (“Audit Committee”), Nomination and Remuneration Committee, Stakeholders Relationship Committee, vide Board Resolution dated January 22, 2025 as per applicable provisions of Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of National Stock Exchange of India.
- Our Company has passed a Board Resolution for Initial Public Offer in Board Meeting held on January 18, 2025 and Shareholders Resolution in Extra-Ordinary General Meeting held on January 18, 2025.
- Our Company has adopted Materiality Policy pursuant to Para 12(A)(1)(V) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for pending litigations and adopted materiality policy, for disclosure of material creditors Pursuant to Para 12(A)(2) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 vide Board Resolution dated January 18, 2025.
- Our Company has adopted materiality policy for identification of Group Companies Pursuant to Regulation 2(1)(t) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 vide Board Resolution dated January 18, 2025.
- Our Company has adopted Insider Trading Policies and other policies vide Board Resolution dated January 18, 2025 to comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015.
- Our Company has adopted Whistle Blower and/or Vigil Mechanism and other policies vide Board Resolution dated January 18, 2025 pursuant to applicable provisions of Companies Act, 2013.
- Our Company has adopted Code of Conduct as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide Board Resolution dated January 18, 2025.

FINANCIAL INDEBTEDNESS

Brief details on the financial indebtedness of the “VIVEKANAND COTSPIN LIMITED” as on September 30, 2024 are as under:s:

SECURED LOANS FROM BANKS AND FINANCIAL INSTITUTIONS

(Rs. In lakhs)

Name of Institution (A)	Borrower Name (B)	Sanction Date (C)	Sanction Amount (D)	Purpose (E)	Amount o/s as on 30.09.2024 (F)	Interest / Annum (G)	Security/Margin (H)	Period of Repayment (I)
Bank of Baroda	Vivekanand Cotspin Limited	27.07.2023	700.00	Working Capital Term Loan	583.33	9.25	Exclusive 1st Charge by the way of Hypothecation of entire Machineries, Electrical installations, Furniture & Fixtures, Office Equipment and other movable fixed assets of the company, Situated at the company's Factory and its other units, Present & Future.	Repayable in 60 EMI
Bank of Baroda	Vivekanand Cotspin Limited	27.07.2023	292.00	Working Capital Term Loan	83.33	9.25		Repayable in 48 EMI
Bank of Baroda	Vivekanand Cotspin Limited	27.07.2023	1,285.00	Purchase and installation of Solar PV Ground Mounted Power Plant For 4 MWp	1,239.28	9.15	Solar PV Ground Mounted Power Plant For 4 MWp	Repayable in 60 EMI
Bank of Baroda	Vivekanand Cotspin Limited	27.07.2023	1,600.00	For Working Capital	1,588.13	10.00	Exclusive 1st Charge by the way of Hypothecation of entire Raw materials, stock in process, stores & Spares, packing material, finished goods and book debts of the company, both present & future.	On Demand

*

All the secured borrowings are secured by a personal guarantee from shareholders and a corporate guarantee provided by M/s. Avadh cotton industries and partners.

* The Company has availed a working capital loan facility from the State Bank of India, dated December 18, 2024. The loan is repayable over the next few years.

As security for the loan, the Company has provided a Lien on Deposits, supplemented by Personal Guarantees from the following individuals:

- Mr. Nirav Patel
- Mr. Vishnubhai Patel
- Mr. Bharatbhai Patel
- Mr. Gautam Patel
- Mr. Jasmin Patel

UNSECURED LOANS FROM BANKS AND OTHER PARTIES

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding Amount as per Books (As on 30th Sep 2024)
Unsecured Term loans from other parties :							
Ashmita Rameshbhai Patel	NA	NA	NA	NA	NA	NA	16.01
Babulal Parsottamdas Patel	NA	NA	NA	NA	NA	NA	133.41
Chirag Babulal Patel	NA	NA	NA	NA	NA	NA	106.73
Darshita Vipulkumar Patel	NA	NA	NA	NA	NA	NA	4.76
Jyotsanaben Ghanshyambhai Patel	NA	NA	NA	NA	NA	NA	14.19
Popatlal Girdharlal Company	NA	NA	NA	NA	NA	NA	31.59
Popatlal Girdharlal Cotton Company	NA	NA	NA	NA	NA	NA	64.69
Unsecured Loans and advances from related parties :							
Preet Vishnubhai Patel	NA	NA	NA	NA	NA	NA	2.00
Bharatbhai P. Patel	NA	NA	NA	NA	NA	NA	164.53
Gautam Bharatbhai Patel	NA	NA	NA	NA	NA	NA	264.81
Jasmin Vishnubhai Patel	NA	NA	NA	NA	NA	NA	330.93
Nirav Bharatbhai Patel	NA	NA	NA	NA	NA	NA	234.93
Vishnubhai P. Patel	NA	NA	NA	NA	NA	NA	146.47
Total							1,515.06

CAPITALIZATION STATEMENT

(₹ in Lakhs)

<u>Particulars</u>	Pre-Issue	Post Issue*
	September 30, 2024	
Debt :		
Long Term Debt	2,847.42	0.00
Short Term Debt	2,161.72	0.00
Total Debt	5009.14	0.00
Shareholders Funds		
Equity Share Capital [#]	1,500.00	[●]
Reserves and Surplus [#]	38.79	[●]
Less: Misc. Expenditure		-
Total Shareholders' Funds	1,538.79	[●]
Long Term Debt/ Shareholders' Funds	1.85	[●]
Total Debt / Shareholders Fund	3.26	[●]

Notes:

* The corresponding post-Issue capitalization data is not determinable at this stage. The same will be updated upon finalization of the Issue Price.

These Terms shall carry the meaning as per Schedule III of The Companies Act, 2013.

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.

2. Long term Debts represent debts other than short term Debts as defined above but excludes installment of term loans repayable within 12 months.

3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2024.

SECTION X – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Red Herring Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoters, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs.1,00,000/-; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://www.vcottonexport.com/>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

OUTSTANDING MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND SUBSIDIARIES

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Direct Tax:

M/s. Vivekanad Cotspin Limited (formerly Known as M/s. Vivekanand Cotspin LLP)

a. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs 2,46,778/- is determined to be paid from Previous years till 2024-25 against **M/s. Vivekanad Cotspin Limited (formerly Known as M/s. Vivekanand Cotspin LLP)** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and late filing fees u/s 234E Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable

Indirect Taxes: NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 2: LITIGATION RELATING TO THE DIRECTORS AND PROMOTERS OF OUR COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax:

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	M/s. Vivekanand Industries 24AADFV1555 E1ZG	State Tax Officer Ghatak 33 (Kadi): Range - 8:Division - 4:Gujarat	ZD2402240226 97I Dated February 12, 2024 Period: April 2020-March 2021	Summary Show Cause Notice u/s. 74 of CGST/ DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 16,17,718/- which includes tax of Rs. 6,40,680/- Interest of Rs.3,36,358/- and Penalty of Rs. 6,40,680/-	The Company has filed an appeal in the matter, and the status of the appeal is still pending with the Appellate Authority. Consequently, the demand remains outstanding.

Direct Tax:

1. M/s. Vivekanand Industries (Partnership firm of promoters)

Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs 1,31,105/- is determined to be paid from Previous years till 2024-25 against **M/s. Vivekanand Industries** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and late filing fees u/s 234E Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

2. M/s. Avadh Cotton Industries (Partnership firm of Promoters)

Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs 78,165/- is determined to be paid from Previous years till 2024-25 against **M/s. Avadh Cotton Industries** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and late filing fees u/s 234E Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

3. Mr. Nirav Bharatbhai Patel (Promoter Cum Chairman and Managing Director)

A.Y. 2011-12:

As per details available on the website of the Income Tax Department **Mr. Nirav Bharatbhai Patel** (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2013201137011504582T dated May 08, 2013 u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs 21,090/- in addition to an interest of Rs. 16,962 /- for A.Y 2011-12, Is pending to be paid by the assessee.

5) Other Pending Litigation based on Materiality Policy of our Company

1. M/s. Balaji Oil Mill Ginning & Pressing Factory (Partnership firm of promoters)

Executive Engineer, Paschim Gujarat Vij Company Limited (hereinafter referred to as the Petitioner) V/s. 1. M/s. Balaji Oil Mill Ginning & Pressing Factory; 2. Gujarat Electricity Ombudsman; (Parties 1 & 2 hereinafter collectively referred to as the Respondents and individually as Respondent No. 1 & 2)

(Special Civil Application (SCA/12350/2020) CNR Number: GJHC240402072020 filed and pending with the High Court of Gujarat at Ahmadabad District-Bhavnagar)

The Petitioner herein being an electricity distribution Company states that the respondent no. 1 herein was a consumer of the petitioner Company right from the year 1998 and was availing the services of the customer No. 23619 under category HTP-1 which got permanently disconnected in December 2015.

The dispute involves an invoice of Rs. 8,34,578/- raised on September 22, 2019, by the petitioner herein on the respondent towards the yearly minimum guarantee charges between January 2015 till October 2015. However being aggrieved by the invoice, on an application made by the respondent herein to the Electricity Ombudsman by way of case no. 102/2019, the application was allowed and it was held that the invoice was hit by Section 56(2) of the Electricity Act, 2003 and the said order was later confirmed in a review application under case No. 102(R)/2019. Aggrieved by the said review order, the petitioner herein filed the instant petition and the same is pending before the concerned court of law and was last listed on April 09, 2021.

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax: NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES

A. LITIGATION AGAINST OUR SUBSIDIARIES AND /OR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Direct Tax:

1. M/s. Ambica Cotseeds Limited (Group Company)

a. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs 3,56,766/- is determined to be paid from Previous years till 2024-25 against **M/s. Ambica Cotseeds Limited** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and late filing fees u/s 234E Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

b. A.Y. 2019-20:

As per details available on the website of the Income Tax Department **M/s. Ambica Cotseeds Limited** (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2020201937002235130C dated May 01, 2020 u/s. 1431a of the Income Tax Act, 1961, raising a demand of Rs 4,84,300/- for A.Y 2019-20, Is pending to be paid by the assessee.

A.Y. 2020-21:

As per details available on the website of the Income Tax Department **M/s. Ambica Cotseeds Limited** (hereinafter referred to as the “Assessee”) have been issued with a demand bearing Demand Identification No: 2021202037025073240C dated November 23, 2021 u/s. 1431a of the Income Tax Act, 1961, raising a demand of Rs 520/- for A.Y 2020-21, Is pending to be paid by the assessee.

Indirect Taxation:

Sr. No	Entity and GSTIN	Name of Authority	Notice / Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	State Tax Officer Ghatak 33 (Kadi), Range -8 Division – 4, Gujarat	Order no. ZD24042401 03423 Dated April 05, 2024, issued in form DRC-07 Period: April 2021- March2022	Summary Show Cause Notice u/s. 74 of CGST/DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 69,47,736/- which includes tax of Rs. 28,35,810/- interest of Rs. 17,76,116/- and Penalty of Rs. 28,35,810/-	Appeal filed vide application dated June 22, 2024 and pending
2.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	Superintendent RANGE II:KADI DIVISION:GANDHI NAGAR:AHMEDAB AD:C	Order No. ZD24122402 5479G Dated December 09, 2024, rectified on December 10, 2024 Period: April 2020-March 2023	Summary Show Cause Notice u/s. 74 & 122 of CGST/DGST Act, 2017 for wrongly availing and utilizing GST	The total demand for tax and other dues is Rs. 4,82,136/- which includes Penalty of Rs. 2,41,068/-	The amount is pending to be paid

Sr. No	Entity and GSTIN	Name of Authority	Notice / Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
3.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	State Tax Officer Ghatak 33 (Kadi), Range – 8, Division -4, Gujarat	Notice No. ZD24092405 9023I Dated September 30, 2024 Period: April 2020-March 2021	Summary Show Cause Notice u/s. 73 of CGST/DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 25,20,499/- which includes tax of Rs. 13,84,954/- interest of Rs. 9,97,049/- and Penalty of Rs. 1,38,496/-	Reply dated July 11, 2024 furnished, pending for order by tax officer
4.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	Assistant Commissioner Ghatak 33 (Kadi):Range - 8.Division - 4:Gujarat	Order No. ZD24082410 59269 Dated August 29, 2024 Period: April 2019-March 2020	Order u/s. 73 of CGST/DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 26,14,989/- which includes tax of Rs. 13,15,994/- Interest of Rs. 11,64,277/- and Penalty of Rs. 1,34,718/-	"The Company has filed an appeal dated December 23, 2024 in the matter, and the status of the appeal is still pending with the Appellate Authority. Consequently , the demand remains outstanding.
5.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	Assistant Commissioner Gujarat	Show Cause Notice No. ZD24052201 3507S Dated May 19, 2022 Period: April 2018-March 2019	Summary Show Cause Notice u/s. 74 of CGST/DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 13,56,231/- which includes tax of Rs. 5,14,636/- Interest of Rs.3,26,959/- and Penalty of Rs. 5,14,636/-	Detailed reply filed on June 15, 2022
6.	M/s. Ambica Cotseeds Limited 24AAJCA4155 E1ZZ	State Tax Officer Ghatak 33 (Kadi):Range - 8:Division - 4:Gujarat	Order No. ZD24032400 23053 Dated March 01, 2024 Period: April 2018-March 2019	Summary Show Cause Notice u/s. 73 of CGST/DGST Act, 2017 for scrutiny of returns filed in Form-GSTR-3B, GSTR-01, GSTR-2A, GSTR-9	The total demand for tax and other dues is Rs. 1,87,620/- which includes tax of Rs. 5,798/- Interest of Rs.1,61,822/- and Penalty of Rs. 20,000/-	The amount is pending to be paid

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Red Herring Prospectus in the case of our Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the Draft Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page 190 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors.

Accordingly, based on the Audited Restated Financial Statements included in the Draft Red Herring Prospectus, information and explanations received from Company, we confirm the following details: Our Board, in its meeting held on January 18, 2025 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount not less than 2% of revenue from operations of the latest annual period reported in the Restated Financial Statements was outstanding, were considered material creditors. Accordingly, creditors to whom an amount of Rs. 714.92 lakhs based on 2% of revenue from operations for the financial year ended 31st March 2024, were considered material creditors.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2024 by our Company, are set out below:

Below are the details of the Creditors where outstanding amount as on September 30, 2024

Name	Balance as on September 30, 2024 (₹ in Lakhs)
Total Outstanding dues to Micro and Small & Medium Enterprises	74.61
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	1,277.46
Total	1,352.08

The Board of Directors of the Company has identified a materiality threshold of Rs.714.92 lakhs (2% of total revenue from operations for the financial year ended 31st March 2024) pursuant to a resolution dated January 18, 2025; and the amounts owed as of, by the Company to any small-scale undertaking and any other creditor equal to or exceeding such materiality threshold is identified in summary form as brought out in the tables below.

Name of Material creditors	Amount (₹ in Lakhs)
Nil	Nil
Total	Nil

There are no outstanding overdues to material creditors.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

Approvals In Relation to Our Company's incorporation

1. Certificate of Incorporation dated July 21, 2015 from the Registrar of Gujarat, Dadra and Nagar Havelli, under the LLP Act, 2008 as "Vivekanand Cotspin LLP" (LLP Number. - AAE-4147)
2. Certificate of Incorporation dated August 05, 2024 from the Assistant/ Deputy/ Registrar of Companies, Central Registration Centre "Vivekanand Cotspin LLP" to "Vivekanand Cotspin Private Limited" (Corporate Identification Number. - U13111GJ2024PTC154066) issued upon conversion from LLP to Private Limited Company
3. Fresh Certificate of Incorporation dated December 16, 2024 from the Registrar of Companies, Centre Processing Unit, consequent to conversion of the Company from "Vivekanand Cotspin Private Limited" to "Vivekanand Cotspin Limited" (Corporate Identification Number. – U13111GJ2024PLC154066)

Approvals in relation to the Issue

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on January 18, 2025 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated January 18, 2025 passed under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated February 25, 2025, [●] and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively with NSE EMERGE.

Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company has entered into a tripartite agreement dated January 31, 2025 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated January 25, 2025 the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited, for the dematerialization of its shares.
3. ISIN: - INE1JJP01018

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:

Tax Related Approvals

S. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	M/s. Vivekanand Cotspin Limited,	AAKCV3547Q	Income Tax Department	August 05, 2024	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	M/s. Vivekanand Cotspin Limited, Survey Number: 181/1,182-1, At Rangpurda, Thol Road, Kadi-382715, Gujarat	AHMOV13382F	Income Tax Department	August 05, 2024	Valid till Cancelled
3.	GST Registration Certificate	M/s. Vivekanand Cotspin Limited, Survey Number: 181/1, 182/1, Rangpurda, Rangpurda, Kadi, Mahesana-384440, Additional Place Of Business:- Plot No. 15 , Shed No. 2, Gidc, At & Post Dharab, Mundra, Kachchh, Gujarat, 370201	24AAKCV3547Q 1ZM	Goods and Services Tax department	August 05, 2024 Latest Amended Certificate issued on January 17, 2025	Valid till Cancelled

Registration related to Labour Laws:

S. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Factory License	M/s. Vivekanand Cotspin Private Limited, Survey Number. 182/1, Kadi-Thol Road At Rangpurda, Kadi, Mahesana-382715, Gujarat* *Amendment application dated January 22, 2025 filed for updating survey no. 181/1 and 895 to the existing address	Registration No. 15317/01632/2016 License No. 28919	Directorate of Industrial Safety and Health, Gujarat State	Originally issued on December 21, 2016 Last modified on January 08, 2025	December 31, 2027

Business Related Approvals issued in the name of the Company:

S. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Import Export Code (IEC)	M/s. Vivekanand Cotspin Limited, Survey Number. 181/1 and 182/1, At Rangpurda, Kadi, Mahesana-384440, Gujarat	0815010516	Ministry of Commerce and Industry Directorate General of Foreign Trade	Originally issued on August 24, 2015 Certificate last updated on January 09, 2025	Valid till Cancelled
2.	UDYAM Registration Certificate	M/s. Vivekanand Cotspin Limited, Survey Number: 181/1, 182/1, Kadi-Thol Road At Rangpurda, Kadi, Mahesana-382715, Gujarat	UDYAM-GJ-14-0043372	Ministry of Micro, Small and Medium Enterprises	August 22, 2024	Valid till Cancelled
3.	Registration cum Membership Certificate (Merchant Cum Manufacturer Exporter Cotton - Ginning, Pressing, Cotton Yarn)	M/s. Vivekanand Cotspin Limited, Survey Number: 181/1 And 182/1, At. Rangpurda, Thol Road, Kadi, 384440, Mahesana, Gujarat	Registration Number: MXC/MXY/3 2774(2015)-V	Cotton Textiles Export Promotion Council, Mumbai	Originally issued on January 07, 2023	Valid till March 31, 2027 subject to annual renewal subscription
4.	LEI Certificate	M/s. Vivekanand Cotspin Private Limited, Survey Number: 182/1, At Rangpurda, Kadi, Mehsana-382715, Gujarat	3358009DO9 KTHORP6V 51	Legal entity Identifier India Limited	August 09, 2021	October 25, 2025

Certificates still existing in the name of erstwhile Vivekanand Cotspin LLP:

S. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	M/s. Vivekanand Cotspin LLP, Survey Number: 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat	9999972615 AHD	Employees' Provident Fund Organization	April 13, 2017	Valid till Cancelled
2.	Consent to Operate under Section 25 & 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization /	M/s. Vivekanand Cotspin LLP*, Survey Number. 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujarat *Amendment application dated January 20, 2025 filed for change of name	GPCB/CCA-MH-872/ID-48781 Consent Order Number: AW-114922	Gujarat Pollution Control Board, Sub-Regional Officer, Mehsana	September 24, 2021	June 30, 2026

	Renewal of Authorization under Rule 5 of the Hazardous Wastes (Management, Handling & Trans boundary Movement) Rules 2008	from Vivekanand Cotspin LLP to Vivekanand Cotspin Limited				
3.	Scope Certificate Under Global Recycled Standard (4.0)	M/s. Vivekanand Cotspin LLP, Survey Number: 182/1, Thol Road, At Rangpurda, Kadi, Mehsana-382715, Gujarat	Scope Certificate Number: ITS-GRS-C-0111062	Intertek Testing Service, United States	February 14, 2024	February 13, 2025 *Renewal copy dated 13.02.2025 filed
4.	Scope Certificate Under Organic Content Standard (3.0)	M/s. Vivekanand Cotspin LLP, Survey Number: 182/1, Thol Road, At Rangpurda, Kadi, Mehsana-382715, Gujarat	Scope Certificate Number: ITS-OCS-C-0111063	Intertek Testing Service, United States	February 14, 2024	February 13, 2025 *Renewal copy dated 13.02.2025 filed
5.	Scope Certificate Under Global Organic Textile Standard (GOTS) Version 6.0	M/s. Vivekanand Cotspin LLP, Survey Number: 182/1, Thol Road, At Rangpurda, Kadi, Mehsana-382715, Gujarat	Scope Certificate Number: GOTS-C-0111060	Intertek Testing Service, United States	February 14, 2024	January 07, 2025 *Renewal application dated January 16, 2025, filed
6.	USDA Certificate issued under USDA organic regulations, 7 CFR Part 205 – National Organic Program (for handling / Processing for Fibre Crops)	Vivekanand Cotspin LLP Sr No 181/1, 182/1, Rangpurda, Kadi, Mehsana, Gujarat, 382715-Gujarat-India	Certificate No. 295614/2024 07240830	Ecocert SAS, Jourdain, France	July 24, 2024	Valid till Cancelled
7.	Member of the International Cotton Association	M/s. Vivekanand Cotspin LLP, Survey Number: 182/1, Thol Road, Rangpurda, Kadi, Mehsana-382715, Gujarat	--	International Cotton Association	January 01, 2023	December 31, 2025
8.	Scope Certificate Under India's National Programme for Organic Production Standards	M/s. Vivekanand Cotspin LLP, Survey Number.181/1, 182/1, Rangpurda, Kadi, Mahesana, Gujarat-382715	Certificate Number: ORG/SC/240 5/000749	M/s. Bureau Veritas (India) Private Limited	April 18,2024	April 17,2025
9.	Certificate of Commissioning Under Gujarat	M/s. Vivekanand Cotspin LLP,	GEDA Registration Number:	Gujarat Energy Development	June 25,2024	Valid till Cancelled

	Energy Development Agency (GEDA)	Survey Number: 182/1, Thol Road, At Rangpurda, Kadi, Mehsana-382715, Gujarat Solar Power Plant installed Premises at: Survey Number-25/1,29,30 of Village-Sami, Taluka-Sami, District-Patan Capacity of Solar Power Project: 3150KW(AC)/3998.12K W(DC)	GMSPVIND GEDA15042 023-560	Agency, Gandhinagar		
10.	Professions Tax Under Gujarat State Profession, Business, Business and Employment Tax Act,1976 (P.T.E.C)	M/s. Vivekananda Coatspin LLP, Survey Number.182/1. M.P.O. Rangpurda, Kadi, Mehsana	Enrolment Number: 04020930003	Taluka Panchyat office, Kadi	May 12,2017	Valid till Cancelled
11.	Professions Tax Under Gujarat State Profession, Business, Business and Employment Tax Act,1976 (P.T.R.C)	M/s. Vivekananda Coatspin LLP, Survey Number.182/1. M.P.O. Rangpurda, Kadi, Mehsana	Registration Number: 04020930004	Taluka Panchyat office, Kadi	May 12,2017	Valid till Cancelled

Intellectual Property

Trademarks registered/Objected/Abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Application number and Date	Owner	Authority	Current Status
1.	Device” VIVEKANAND COTSPIN” 	23	6815873 Dated January 21, 2025	M/s. Vivekanand Cotspin Limited,	Trademark Registry, Ahmedabad	Formalities Check Pass

Domain Name

S. No	Domain Name	Registry Domain ID	Registrant Name and IANA ID	Creation Date	Registry Expiry Date
1.	https://www.vcottonexport.com/	Registry Domain ID: 1704670461_DOMAIN_COM -VRSN	Registrar: whois.PublicDomain Registry.com IANA ID: 303	February 29, 2012	February 28, 2025

SECTION XI- INFORMATION WITH RESPECT TO GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated January 18, 2025 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfills both the below mentioned conditions: -

- a) the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); and
- b) if such company fulfills both the below mentioned conditions: -
 - i. Such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1) (pp) of the SEBI(ICDR)Regulations; and
 - ii. The Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

Based on the above, the following Companies are identified as our Group Companies: -

1. Ambica Cotseeds Limited
2. Ambica Cotseeds Pte Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from its audited financial statements (as applicable) is available at the website indicated below.

Our Company is providing a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulation.

DETAILS OF OUR GROUP COMPANIES:

1. Ambica Cotseeds Limited

Brief Corporate Information

The company was originally incorporated under the name “Ambica Cotseeds Limited” on April 28, 2011 under the Companies Act, 1956 pursuant to certificate of incorporation issued by Registrar of Companies, Ahmedabad Gujarat. The CIN of ACL is U15142GJ2011PLC065187. The registered office of ACL is situated at SF 12 Parmanand Plaza, opp. Fire Station Nagar Palika, Village: Kadi, Taluka: Kadi, Mahesana, Gujarat-382715, India.

Financial Information

The details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Ambica Cotseeds Limited for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 available in terms of the SEBI ICDR Regulations are available on its website at www.vcottonexport.com.

2. Ambica Cotseeds PTE Limited

Brief Corporate Information

The company was originally incorporated under the name “Ambica Cotseeds PTE Limited” on September 12, 2023 under the Companies Act, 1967 (Incorporated in the Republic of Singapore under the Companies Act Cap. 50) pursuant to certificate of incorporation issued by Accounting and Corporate Regulatory Authority, Singapore. The UEN of ACPL is 202336733E. The registered Office of ACPL is situated at 111 North Bridge Road, #07-09 Peninsula Plaza Singapore 179098.

Financial Information

The details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Ambica Cotseeds PTE Limited for latest financial year ended December 31, 2023 available in terms of the SEBI ICDR Regulations are available on its website at www.vcottonexport.com.

ACPL follows the accounting period beginning from January 01 and ending on December 31.

LITIGATIONS

Except as disclosed in the chapter titled '*Outstanding Litigations and Material developments*' on page 204 of this Draft Red Herring Prospectus, there is no other pending litigations against our Group Companies which can have a material impact on our Company.

COMMON PURSUITS

As of the date of this Draft Red Herring Prospectus, our group companies are engaged in a similar line of business, including the import and export of cotton yarn and cotton bales.

Except as disclosed in the Related Party Transactions in the chapter titled "*Restated Financial Statements*" on page 188 of this Draft Red Herring Prospectus, there are no other related business transactions between Group Companies and our company.

BUSINESS INTEREST

Except as disclosed in the Related Party Transactions in the chapter titled "*Restated Financial Statements*" on page 188 of this Draft Red Herring prospectus, our Group Companies do not have any business interest in our company.

For further details on risks in relation to transactions being entered into with related parties, see "*Risk Factors*"-We have in the past entered into related-party transactions and may continue to do so in the future" on page 25 of this Draft Red Herring Prospectus.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

a) In the promotion of our Company:

Our Group Companies does not have any interest in the promotion of our Company.

b) In the properties acquired or proposed to be acquired by our Company in the past three years before filing the Draft Red Herring Prospectus with stock exchange:

Our Group Companies does not have any interest in the properties acquired or proposed to be acquired by our Company in the past three years before filing the Draft Red Herring Prospectus with Stock Exchange.

c) In transactions for acquisition of land, construction of building and supply of machinery:

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Other Confirmations

Our Group Companies are not listed on any stock exchange. Our Group Companies has not made any public or rights issue of securities in the preceding three years.

SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue Fresh Issue

This Issue in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated January 18, 2025 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on January 18, 2025 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE EMERGRE for using its name in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus pursuant to letter dated [●]. National Stock Exchange of India Limited is the Designated Stock Exchange.

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Group Company, our Promoter, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our subsidiaries, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations And Material Development” beginning on page 204 of the Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is more than ten crore rupees but less than twenty-five crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 54 of this Draft 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.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM 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 54 of this Draft Red Herring Prospectus.

5. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 2013

6. The Post Issue paid up capital of the company will be less than ₹25 Crore.

The present paid-up capital of our Company is ₹1500.00 Lakhs and we are proposing issue of up to 55,00,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our Post Issue Paid up Capital will be ₹ [●] Lakhs which is more than ₹ 10.00 Crores and not more than ₹ 25.00 Crore.

7. Track Record

The company should have a track record of at least 3 years

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of “Vivekanand Cotspin LLP” pursuant to provisions of Limited Liability Partnership Act, 2008 (“LLP Act”), bearing registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style of “Vivekanand Cotspin Private Limited” pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General Meeting held on December 2, 2024 and consequently the name of our company was changed from “Vivekanand Cotspin Private Limited” to “Vivekanand Cotspin Limited” vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of our Company is U13111GJ2024PLC154066.

Accordingly, Our Company has a track record of three years as on date of filing of this Draft Red Herring Prospectus.

8. The issuer should have operating profit (earnings before interest, depreciation and tax) from operations of Rs. 100 Lakhs for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

Our Company satisfies the criteria of operating profit and Networth based on Restated Financial Statement, which are given hereunder

(Rs. in Lakhs)

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Profit as Restated	38.79	103.49	359.04	(57.35)	(69.62)
Add: Depreciation	94.80	211.41	557.99	596.29	673.61
Add: Interest on Loan	59.58	182.92	440.04	461.18	287.83
Add: Income Tax/ Deferred Tax	8.03	35.58	160.97	(10.54)	(10.25)
Less: Other Income	1.56	3.77	36.41	39.36	11.94
EBITDA	199.64	529.63	1,481.63	950.21	869.63

(Rs. in Lakhs)

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth as per Restated Financial Statement	1538.79	2527.03	2227.76	3204.90	3183.00

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Operating Profit has defined as earnings before interest, depreciation and tax from operations.

9. The company/entity should have positive free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.

Criteria of Free cash flow to Equity (FCFE) of the Company which is given hereunder based on Restated Financial Statement.

(Rs. in Lakhs)

Particulars	September 30, 2024	August 04, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Cash flow from Operations	(453.05)	699.12	2388.04	1471.80	(196.56)
Less: Purchase/Sale of Fixed Assets	0	31.30	1531.63	11.59	364.51
Add: Net Borrowings	726.01	(745.46)	818.09	(1014.19)	199.28
Less: Interest x (1-T)	49.36	136.13	303.82	389.56	250.88
FCFE	223.60	(151.17)	1370.68	56.46	(612.67)

10. Our Company has entered into an agreement dated January 25, 2025 with NSDL and agreement dated January 31, 2025 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
11. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
12. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
13. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
14. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of NSE
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
16. Our Company has a website i.e., www.vcottonexport.com

Other Disclosures:

- 1) We have Disclosed all material regulatory or disciplinary action 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 company(ies) of the applicant company in the Draft Red Herring Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “Outstanding Litigations & Material Developments” on page no.204 of this Draft Red Herring Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “Outstanding Litigation & Material Developments” on page no. 204 of this Draft Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME platform. National Stock Exchange of India Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated January 25, 2025 with NSDL and agreement dated January 31, 2025 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter “Objects of the Issue” on page no. 86 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time 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 DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY

RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE LEAD MERCHANT BANKER, GROW HOUSE WEALTH MANAGEMENT PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GROW HOUSE WEALTH MANAGEMENT PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]

THE FILING OF THE DRAFT 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 DRAFT RED HERRING PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat in terms of sections 26, 32 and 33 of the Companies Act,

Disclaimer from our Company and the Book Running Lead Manager

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the BRLM (Grow House Wealth Management Private Limited) and our Company on February 19, 2025 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

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 majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative 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 the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development

financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 Draft 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 jurisdiction of the competent court(s) in Gujarat.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of 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). NSE has given vide its letter [●] dated [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft 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 NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; 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."

Filing

This Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

The copy of the Draft Red Herring Prospectus will not have filed with SEBI and SEBI will not issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No 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 26 of the Companies Act, 2013 would be filed online for registration to the Registrar of Companies, Gujarat.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue*, Legal Advisor to the Issue, Underwriter(s) to the Issue* and Market Maker to the Issue* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

** The consent will be taken while registering the Prospectus with Roc.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Mistry & Shah LLP, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Experts Opinion

Except for the reports in the section “Financial information of our Company” and “Statement of Possible Tax Benefits” on page 188 and 105 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Red Herring Prospectus except as disclosed in this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company

Except as stated in the chapter titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

Except as disclosed in this Draft Red Herring Prospectus, all of our Group/ Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit

or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved; our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on January 22, 2025. For further details on the Stakeholders Relationship Committee, please refer to section titled “Our Management” beginning on page 164 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Komal Vijaybhai Chauhan, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Komal Vijaybhai Chauhan
S/No 181/1, 182/1, At Rangpurda, Kadi,
Mahesana- 382715, Gujarat, India
Tel. No.: +91 9227825102
E-mail: cs@vcottonexport.com
Website: www.vcottonexport.com

Investors can contact the 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 etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Except as disclosed in Chapter titled “General Information” beginning on Page 54 of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

Capitalization of Reserves or Profits

Except as disclosed under section titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Possible Tax Benefits” beginning on page 105 of this Draft Red Herring Prospectus.

Purchase of Property

Other than as disclosed in Section “Business Overview” on page 130 of the Draft 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 the Draft Red Herring Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 164 and Restated Statement of Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 188 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Exemption from complying with any provision of security laws, if any granted by SEBI

As on date of Draft Red Herring Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI

Statement on Price Information of Past Issues handled by Grow House Wealth Management Private Limited:

SME IPO:

Sr. No.	Issuer name	Issue size(₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] 30 th calendar	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
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						days from listing		
NIL								

MAIN BOARD IPO:

Sr. No.	Issuer name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
NIL								

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Issues) managed by the Lead Manager. No disclosure is required as this is the first issue which is being handled by the book running lead manager.

Track Record of past issues handled by Grow House Wealth Management Private Limited: For details regarding track record of BRLM to the issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, No disclosure is required as this is the first issue which is being handled by the Book Running Lead Manager.

SME IPO

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 th calendar day from			Nos. of IPO trading at premium as on 30 th calendar day from listing date			Nos. of IPO trading at discount as on 180 th calendar day from listing date			Nos. of IPO trading at premium as on 180 th 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 %
Nil														

MAIN BOARD IPO:

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 th calendar day from			Nos. of IPO trading at premium as on 30 th calendar day from listing date			Nos. of IPO trading at discount as on 180 th calendar day from listing date			Nos. of IPO trading at premium as on 180 th 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 %
NIL														

Track Record of past issues handled by Grow House Wealth Management Private Limited: For details regarding track record of BRLM to the issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, No disclosure is required as this is the first issue which is being handled by the Book Running Lead Manager.

Note:

Investors who apply in the Issue 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 approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

SECTION XIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

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.

Authority for the Issue

The present Public Issue of Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 18, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on January 18, 2025 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013. Expenses for the Issue shall be borne our Company in the manner specified in chapter titled “Objects of the Issue” beginning from page 86 of Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA 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, 2013 and the Articles of Association of the Company.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” and “Description of Equity Shares and Terms of the Articles of Association” beginning from page 187 and 272 of this Draft Red Herring Prospectus.

Face Value and Issue Price and Price Band

The face value of each Equity Share is ₹10 and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size 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 editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with

the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with the disclosure and accounting norms

Our Company shall comply with all the 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 offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Description of Equity Shares and terms of the Articles of Association” beginning on page 272 of the Draft Red Herring Prospectus.

Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated January 25, 2025 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated January 31, 2025 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is 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.

Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- 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 90 (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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for 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 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 to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

ISSUE PROGRAM

Events	Indicative Dates
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 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 in the Stock Exchanges bidding platform until the date on which the amounts are unblocked*

(ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock.

(iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock

(iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking.

The Book Running Lead Manager 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 master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and the 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by the UPI Bidders 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 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 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 3 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.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final

data for the purpose of Allotment. 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 ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on 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. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall 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 at the terminals of syndicate members.

Minimum Subscription

This Issue is not restricted to any minimum subscription level and the Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after the issuer becomes liable to pay the amount, the issuer shall pay interest as prescribed under law.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with Regulation 260 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 Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) 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 Lac only) 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.

Arrangements for disposal of odd lots

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 the SME Exchange.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on page **Error! Bookmark not defined.** of the Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading “Description of Equity Shares and terms of the Articles of Association” on page 272 of the Draft 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 this Draft 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.

Allotment of 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.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the paid up Capital of the company is more than ₹10 crores and up to ₹ 25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

Where the post- Offer face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further Offer of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further Issue of capital by the Company shall be made unless;

- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement

entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 54 of the Draft Red Herring Prospectus.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) Regional Newspaper, [●] each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD 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.

The above information is given for the benefit of the Bidders. The Bidders 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 and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders 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 and regulations.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Gujarat.

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 offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

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, an issuer whose post issue paid up face value capital is more than Rs. 10 Crores, but less than Rs.25 crore shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of 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 231 and 242 of the Draft Red Herring Prospectus.

The Issue comprise of a Public Issue of upto 55,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of [●] per Equity Shares (including a premium of [●] per equity share) aggregating to [●] lakhs (“the issue”) by our Company of which [●] Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Investors	Individual
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares	
Percentage of offer Size available for allocation	[●]% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue	
Basis of Allotment(3)	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving	Proportionate	Proportionate	

		allocation as per (a) above. Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	Only through the ASBA process.		Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds Rs 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed Rs 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), 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 Rs 2,00,000
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “Issue Structure” on page 238 of the Draft Red Herring Prospectus.

- (1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) 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 the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

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.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion 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, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

Bid/Issue Programme:

Events	Indicative Dates
Bid/Issue Opening Date	[•]
Bid/ Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.

- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Bidders should read 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, 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, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

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 CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, 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. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue has been undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

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.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, 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 under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, 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 Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through 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 Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the 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. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism.

Phase III: The commencement period of Phase III is notified. In this phase, the time duration from public issue closure to listing is reduced to three Working Days.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) 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 websites of the NSE, at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also 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.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*Excluding Electronic Bid cum Application Form

**Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), 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 Bidders 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 Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites 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 Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	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 investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary 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 Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

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 to intermediaries other than SCSBs:	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. 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 Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

Availability of Draft Red Herring Prospectus and Bid Cum Application Forms

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 websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application 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. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders 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.

METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Regional Edition of newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA

Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 242 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, 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 disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

Participation by Associates /Affiliates of BRLM and the Syndicate Members

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.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders:

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated 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.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every

additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.

- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. 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") ASBA 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.

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).

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

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 sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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 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 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized 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.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:

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 AIF's.

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.

BIDS BY HUF'S

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

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 SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

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 issued 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 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:

- 1) 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;
- 2) 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
- 3) 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 UNDER POWER OF ATTORNEY:

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies 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 reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by 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 a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM 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 Draft 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 Draft Red Herring Prospectus.

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 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.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "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 nonfinancial 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 SCSB'S:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

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) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. 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 have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “Vivekanand Cotspin Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: — “Vivekanand Cotspin Limited IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a) the applications accepted by them,
 - b) the applications uploaded by them
 - c) the applications accepted but not uploaded by them or
 - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:

- Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
 9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
 11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
 12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
 14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue
 15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative 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 Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Draft Red Herring Prospectus will be registered with the ROC and copy of Red Herring Prospectus/ Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre- Issue advertisement, we shall state the Bid Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD 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 the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft 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, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. 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;
7. In case of Joint bids, ensure the 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. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. 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;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. 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 Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. 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;
21. 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;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. 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;
24. 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;
25. 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;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application 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;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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 Applicant;
14. 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;
15. 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);

16. 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.

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 Bidders 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 Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker 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 and QIBs) 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 DRHP.

GROUND 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum 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;
- Bid for lower number of Equity Shares than specified for that category of investors;

- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples as specified in the DRHP;
- 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 DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and 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;
- Bid 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 Exchanges;
- 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; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

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 EXCHANGES 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.

BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Flow of Events from the closure of bidding period (T DAY) Till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

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 Issue size less Allotment to Non-Institutional and QIB Bidders 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 Issue size less Allotment to QIBs and Retail 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.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
 - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
 - i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹2 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

- d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

- e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of National Stock Exchange of India - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of 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 Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are

liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;

2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

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."

Undertakings by Our Company

We 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 three 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 three 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 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, undersubscription 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 Draft 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.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under the 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 SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization 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 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 satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our 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) Tripartite Agreement dated January 25, 2025 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated January 31, 2025 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE1JJP01018

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants

issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. 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.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

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 Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION XIV - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

CONSTITUTION OF THE COMPANY

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

INTERPRETATION CLAUSE

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
 - a) 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'
 - b) 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
 - c) 'The Company' or 'This Company' means **Vivekanand Cotspin Limited**.
 - d) 'Directors' means the Directors for the time being of the Company.
 - e) 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.
 - f) 'Members' means members of the Company holding a share or shares of any class.
 - g) 'Month' shall mean a calendar month.
 - h) 'Paid-up' shall include 'credited as fully paid-up'.
 - i) 'Person' shall include any corporation as well as individual.
 - j) 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
 - k) 'Section' or 'Sec.' means Section of the Act.
 - l) Words importing the masculine gender shall include the feminine gender.
 - m) Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
 - n) 'Special Resolution' means special resolution as defined by Section 114 in the Act.
 - o) 'The Office' means the Registered Office for the time being of the Company.
 - p) 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
 - q) 'Proxy' includes Attorney duly constituted under a Power of Attorney.
3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
4. The Authorized Share Capital of the Company shall be as prescribed in Clause 5 of the Memorandum of Association of the Company.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot 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 or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable

to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.

(d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.

III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:

(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and

(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

9. Issue of further shares with disproportionate rights

Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.

10. Not to issue shares with disproportionate rights

The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

11. Power to pay commission

The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

12. Liability of joint holders of shares

The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

13. Trust not recognized

Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognize any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

14. Issue other than for cash

- a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
- b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

15. Acceptance of shares

An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

16. Member' right to share Certificates

1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
 - a. One certificate for all his shares; or
 - b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
3. Every certificate shall be under the signature of two Directors and/or the Company Secretary of the Company and shall specify the shares to which it relates and the amount paid-up thereon.
4. The certificate of title to shares and duplicates thereof, when necessary, shall be issued under the signature of two Directors and/or the Company Secretary of the Company or authorized official(s) of the Company.

17. One Certificate for joint holders

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

18. Renewal of Certificate

If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

19. Splitting and consolidation of Share Certificate

The shares of the Company will be split up/consolidated in the following circumstances:

- (i) At the request of the member/s for split up of shares in marketable lot.
- (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

20. Directors may issue new Certificate(s)

Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

21. Person by whom installments are payable

If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

LIEN

22. Company's lien on shares

The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

23. As to enforcing lien by sale

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

24. Authority to transfer

- a. To give effect to such sale, the Board of Directors may authorize any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

25. Application of proceeds of sale

The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

CALLS ON SHARES

26. Calls

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

27. When call deemed to have been made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to

the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

28. Length of Notice of call

Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

29. Sum payable in fixed installments to be deemed calls

If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

30. When interest on call or installment payable

If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

31. Sums payable at fixed times to be treated as calls

The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

32. Payment of call-in advance

The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

33. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

FORFEITURE OF SHARES

34. If call or installment not paid, notice may be given

If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such 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. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

35. Evidence action by Company against shareholders

On the trial or hearing of any action or suit brought by the Company against any shareholder 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 shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim 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 made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

36. Form of Notice

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

37. If notice not complied with, shares may be forfeited

If the requirements of any such notice as, aforementioned 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 forfeiture.

38. Notice after forfeiture

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

39. Boards' right to dispose of forfeited shares or cancellation of forfeiture

A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

40. Liability after forfeiture

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

41. Effect of forfeiture

The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

42. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director 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, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and 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.

43. Non-payment of sums payable at fixed times

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

44. Validity of such sales

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

45. Transfer

- a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

46. Form of transfer

Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

47. Board's right to refuse to register

The Board, May, at its absolute discretion and without assigning any reason, decline to register;

1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
2. Any transfer or transmission of shares on which the Company has a lien
 - a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
 - b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
 - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
 - d. The provisions of this clause shall apply to transfers of stock also.

48. Further right of Board of Directors to refuse to register

- a. The Board may, at its discretion, decline to recognize or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
 - i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
 - ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
 - iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.

iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.

v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

49. Rights to shares on death of a member for transmission

- a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

50. Rights and liabilities of person

1. 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 be required by the Board and subject as herein, after provided elect either
 - a. to be registered himself as a holder of the share or
 - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. 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.

51. Notice by such a person of his election

- a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. 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 of transfer had been signed by that member.

52. No transfer to infant, etc.

No transfer shall be made to an infant or a person of unsound mind.

53. Endorsement of transfer and issue of certificate

Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorized by the Board in that behalf.

54. Custody of transfer

The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

55. Register of members

- a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

Closure of Register of members

- b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

When instruments of transfer to be retained

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

56. Company's right to register transfer by apparent legal owner

The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares not withstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL

57. Alteration and consolidation, sub-division and cancellation of shares

The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

1. Increase its share capital by such amount as it thinks expedient by issuing new shares;
2. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
3. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
5. **(a).** Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
(b). The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

58. Reduction of capital, etc. by Company

The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorized and consent as required by law:

- a. its share capital;
- b. any capital redemption reserve account; or
- c. any share premium account.

SURRENDER OF SHARES

59. Surrender of shares

The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

MODIFICATION OF RIGHTS

60. Power of modify shares

The rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

SET OFF OF MONEY DUE TO SHAREHOLDERS

61. Set-off of moneys due to shareholders

Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

CONVERSION OF SHARES INTO STOCK

62. Conversion of shares

The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

63. Transfer of stock

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.

64. Right of stockholders

The holders of the stock shall, according to the amount of the 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 its 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.

65. Applicability of regulations to stock and stockholders

Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

66. DEMATERIALISATION OF SECURITIES

a) Definitions

For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

‘Security’ means such security as may be specified by SEBI from time to time.

b) Dematerialization of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c) Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) Rights of depositories and beneficial owners:

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- ii. Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
- iii. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his

f) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

k) Company to recognize the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

GENERAL MEETINGS

67. Annual General Meeting

The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

68. Extraordinary General Meeting

1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

Right to summon Extraordinary General Meeting

2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

69. Extraordinary Meeting by requisition

- a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

70. Length of notice for calling meeting

A General Meeting of the Company may be called by giving not less than twenty one days' notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

71. Accidental omission to give notice not to invalidate meeting

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

72. Special business and statement to be annexed

All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

73. Quorum

The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of member's up to 1000: 5 members personally present

Number of member's 1000-5000: 15 members personally present

Number of member's more than 5000: 30 members personally present

74. If quorum not present, when meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

75. Chairman of General Meeting

The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

76. When Chairman is absent

If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

77. Adjournment of meeting

The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

78. Questions at General Meeting how decided

At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

79. Casting vote

In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

80. Taking of poll

If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

81. In what cases poll taken without adjournment

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

82. Votes

a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.

b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such

capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.

c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

83. Business may proceed notwithstanding demand for poll

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

84. Joint holders

In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

85. Member of unsound mind

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.

86. No member entitled to vote while call due to Company

No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

87. Proxies permitted on polls

On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

88. Instrument of proxy

a. The instrument appointing a proxy shall be in writing under the hand of the appointer or of the attorney duly authorized in writing, or if the appointer is a Corporation, either under the signature of two Directors and/or the Company Secretary of the Company or under the hand of an officer or attorney so authorized. Any person may act as a proxy whether he is a member or not.

b. A body corporate (whether a company within the meaning of this Act or not) may:

1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorize such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;

2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

c. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

89. Instrument of proxy to be deposited at the office

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

90. Validity of vote by proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

91. Form of proxy

Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

DIRECTORS

***92. Number of Directors**

Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

a) First Directors of the Company

Mr. Nirav Bharatbhai Patel

Mr. Vishnubhai Pahladdas Patel

b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Officer

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company.

***Amended Clause 92 of Articles of Association Vide Special Resolution Passed by the Members at the Extra-Ordinary General Meeting held on 17th January, 2025.**

93. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

94. Qualification of Directors

Any person, whether a member of the Company or not, may be appointed as a director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

95. Director's remuneration

a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction **and pay** to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.

c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

96. Directors may act notwithstanding vacancy

The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 121 below:

97. Chairman of the Board

The Board may from time to time appoint any Director to be the Chairman of the Board. The Chairman of the Board shall be subject to the same provisions as to resignation and removal as the other Directors, and he ipso facto, and immediately ceases to be the Chairman if he ceases to hold the office of Director for any cause.

98. Casual vacancy

If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

VACATION OF OFFICE BY DIRECTORS

99. Vacation of office by Directors

The office of a Director shall be vacated if:

1. He is found to be unsound mind by a Court of competent jurisdiction;
2. He applies to be adjudicated as an insolvent;
3. He is an undischarged insolvent;
4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
5. He fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. An order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. He has not complied with Subsection (3) of Section 152
8. He has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. He absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. He acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. He becomes disqualified by an order of a court or the Tribunal
12. He is removed in pursuance of the provisions of the Act,
13. Having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

Notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

1. for thirty days from the date of the adjudication, sentence or order;
2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or

3. Where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

100. Alternate Directors

- (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

Independent Directors

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall not be liable to retire by rotation.

Women Director

- (d) The Directors shall appoint at least one women director as per the requirements of section 149 of the Act.

Key Managerial Personnel

- (e) Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

101. Additional Directors

The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

Proportion of retirement by rotation

The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

102. Debenture

Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

103. Corporation/Nominee Director

- a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company to any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or installments, the Corporation shall have right to appoint from time to time any person or persons as a Director or Directors (which

Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).

b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

104. Disclosure of interest of Directors

a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

105. Rights of Directors

Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

106. Directors to comply with Section 184

Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

107. Directors power of contract with Company

Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

ROTATION OF DIRECTORS

108. Rotation and retirement of Directors

At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

109. Retiring Directors eligible for re-election

A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

110. Which Directors to retire

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

111. Retiring Directors to remain in office till successors are appointed

Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

112. Power of General Meeting to increase or reduce number of Directors

Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

113. Power to remove Directors by ordinary resolution

Subject to provisions of Section 169 the Company, by Ordinary Resolution, May at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

114. Rights of persons other than retiring Directors to stand for Directorships

Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

115. Register of Directors and KMP and their shareholding

The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

116. Business to be carried on

The business of the Company shall be carried on by the Board of Directors.

117. Meeting of the Board

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

118. Director may summon meeting

A Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

119. Question how decided

- a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

120. Right of continuing Directors when there is no quorum

The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

121. Quorum

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

122. Election of Chairman to the Board

If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board 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 the Chairman of the meeting.

123. Chairman Emeritus

A.

- (1) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
- (2) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting.
- (3) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.

- (4) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.
- (5) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
- (6) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus.”

124. Power to appoint Committees and to delegate

- a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

Delegation of powers

- b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
- c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

125. Proceedings of Committee

The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

126. Election of Chairman of the Committee

- a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
- b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

127. Question how determined

- a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

128 Acts done by Board or Committee valid, notwithstanding defective appointment, etc.

All acts done by any meeting of the Board or 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 any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

Resolution by circulation

129. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

POWERS AND DUTIES OF DIRECTORS

130. General Powers of Company vested in Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

131. Attorney of the Company

The Board may appoint at any time and from time to time by a power of attorney under the signature of two Directors and/or the Company Secretary of the Company, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of anybody or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

132. Power to authorize sub delegation

The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

133. Directors' duty to comply with the provisions of the Act

The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

134. Special power of Directors

In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

135. To acquire and dispose of property and rights

- a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debentures, etc.

- b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgages

- c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

To appoint officers, etc.

d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.

e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

To refer to arbitration

f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipt

g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

To act in matters of bankrupts and insolvents

h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

To give security by way of indemnity

i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To give commission

j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

To make contracts etc.

k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To make bye-laws

l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

To set aside profits for provided fund

m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

To make and alter rules

n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

136. Managing Director

- a. Subject to the provisions of Section 196,197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
- d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 135 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

137. Whole-time Director

1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) 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 Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

138. Secretary

The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as May, from time to time, be delegated or entrusted to him by the Board.

139. Powers as to commencement of business

Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

140. Delegation of power

Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

BORROWING

141. Borrowing Powers

- a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

142. Assignment of debentures

Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

143. Terms of debenture issue

- a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgage lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

- d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

144. Charge on uncalled capital

Any uncalled capital of the Company may be included in or charged by mortgage or other security.

145. Subsequent assignees of uncalled capital

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

146. Charge in favour of Director of indemnity

If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

147. Powers to be exercised by Board only at meeting

- a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
 - (a) To make calls on shareholders in respect of money unpaid on their shares;
 - (b) To authorise buy-back of securities under section 68;
 - (c) To issue securities, including debentures, whether in or outside India;
 - (d) To borrow monies;
 - (e) To invest the funds of the company;
 - (f) To grant loans or give guarantee or provide security in respect of loans;
 - (g) To approve financial statement and the Board's report;
 - (h) To diversify the business of the company;
 - (i) To approve amalgamation, merger or reconstruction;
 - (j) To take over a company or acquire a controlling or substantial stake in another company;
 - (k) To make political contributions;
 - (l) To appoint or remove key managerial personnel (KMP);
 - (m) To take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
 - (n) To appoint internal auditors and secretarial auditor;
 - (o) To take note of the disclosure of director's interest and shareholding;
 - (p) To buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
 - (q) To invite or accept or renew public deposits and related matters;
 - (r) To review or change the terms and conditions of public deposit;
 - (s) To approve quarterly, half yearly and annual financial statements or financial results as the case may be.
 - (t) Such other business as may be prescribed by the Act.
- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.
- c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
- d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.

- e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

148. Register of mortgage to be kept

The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

149. Register of holders of debentures

Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

150. Inspection of copies of and Register of Mortgages

The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

151. Supplying copies of register of holder of debentures

The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

152. Right of holders of debentures as to Financial Statements

Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

153. Minutes

- a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
- b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

154. Managing Director's power to be exercised severally

All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

MANAGER

155. Manager

Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

DIVIDENDS AND RESERVES

156. Rights to Dividend

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

157. Declaration of Dividends

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

158. What to be deemed net profits

The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

159. Interim Dividend

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.

160. Dividends to be paid out of profits only

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

161. Reserve Funds

a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums 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 provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

162. Method of payment of dividend

a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.

b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.

c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

163. Deduction of arrears

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 in relation to the shares of the Company or otherwise.

164. Adjustment of dividend against call

Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

165. Payment by cheque or warrant

a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.

- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

166. Retention in certain cases

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

Receipt of joint holders

(A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.

167. Deduction of arrears

Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

168. Notice of Dividends

Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

169. Dividend not to bear interest

No dividend shall bear interest against the Company.

170. Unclaimed Dividend

No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

171. Transfer of share not to pass prior Dividend

Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

172. Capitalisation of Profits

- a. The Company in General Meeting, may on the recommendation of the Board, resolve:
 - 1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
 - 2. That such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:

1. Paying up any amount for the time being unpaid on any share held by such members respectively;
 2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
 3. Partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

173. Powers of Directors for declaration of Bonus

- a. whenever such a resolution as aforesaid shall have been passed, the Board shall:
1. Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
 2. Generally, do all acts and things required to give effect thereto.
- b. The Board shall have full power:
1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
 2. to authorise 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 capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
- c. Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

174. Books of account to be kept

- a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
- c. The books of accounts shall be open to inspection by any Director during business hours.

175. Where books of account to be kept

The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

176. Inspection by members

The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

177. Statement of account to be furnished to General Meeting

The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

178. Financial Statements

Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

179. Authentication of Financial Statements

- a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
- b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

180. Auditors Report to be annexed

The Auditor's Report shall be attached to the financial statements.

181. Board's Report to be attached to Financial Statements

- a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
- b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.
- e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

182. Right of member to copies of Financial Statements

The Company shall comply with the requirements of Section 136.

ANNUAL RETURNS

183. Annual Returns

The Company shall make the requisite annual return in accordance with Section 92 of the Act.

AUDIT

184. Accounts to be audited

- a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
- b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
- c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.
- d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
- e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.
- f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any

such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.
- i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

185. Audit of Branch Offices

The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

186. Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill a casual vacancy may be fixed by the Board.

187. Rights and duties of Auditors

- a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
- b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:
 1. In the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
 2. In the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
- d. The Auditor's Report shall also state:
 - (a) Whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
 - (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
 - (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
 - (d) Whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - (e) Whether, in his opinion, the financial statements comply with the accounting standards;

- (f) The observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
 - (g) Whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
 - (h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - (i) Whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
 - (j) Whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
 - (k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - (l) Whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

188. Accounts whether audited and approved to be conclusive

Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

189. Service of documents on the Company

A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

190. How documents to be served to members

- a. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- c. Where a document is sent by post:
 - i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
 - a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
 - b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

191. Members to notify address in India

Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

192. Service on members having no registered address in India

If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

193. Service on persons acquiring shares on death or insolvency of members

A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

194. Notice valid though member deceased

Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

195. Persons entitled to Notice of General Meeting

Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

- (a) Every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) The auditor or auditors of the company; and
- (c) Every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

196. Advertisement

- a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

197. Transference, etc. bound by prior notices

Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

198. How notice to be signed

Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

199. Authentication of document and proceeding

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

WINDING UP

200. Winding up

Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

201 Division of assets of the Company in specie among members

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

202. Directors' and others' right to indemnity

- a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company

- 203.** Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

SECURITY CLAUSE

- 204. a.** No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

REGISTERS, INSPECTION AND COPIES THEREOF

- 205. a.** Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days' notice to the company about his intention to do so.

- b. Any, Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

BUY-BACK OF SHARES

206. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

Employee Stock Option Scheme

207. Subject to and in accordance with the provisions of the Act and any other rules, regulations or guidelines as may be prescribed, if any, the Company may frame guidelines or scheme to be known as Employee Stock Option Scheme (ESOP) or Employees Stock Purchase Scheme (ESPS).

ESOP or ESPS may provide for the issue of shares/warrants, bonds or other debt instruments including the terms of payment.

The Board of Directors shall have the power to vary, alter or amend the terms and conditions of the ESOP or ESPS, at their sole discretion, in such manner as they may deem fit in the best interest of the Company.

Issue of Sweat Equity Shares

208. Notwithstanding anything contained in these articles the Company shall have right to issue sweat equity shares to its promoters, Directors, employees or to such other persons as may be decided by the Board in accordance with the provisions of the Companies Act, 2013 and any statutory amendments or re-enactment thereof.

GENERAL AUTHORITY

209. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

SECTION XV – 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 the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected online with Registrar of Companies and at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date and online at website of company <https://www.vcottonexport.com/>

Material Contracts

1. Issue Agreement dated February 19, 2025 between our Company Book Running Lead Manager to the Issue.
2. Agreement dated February 06, 2025 executed between our Company and the Registrar to the Issue (MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
3. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Book Running Lead Manager and Underwriters.
6. Tripartite Agreement dated January 31, 2025 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated January 25, 2025 among NSDL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Syndicate Member.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated August 05, 2024 issued by the Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation dated December 16, 2024 issued by the Registrar of Companies, consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated January 18, 2025 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated January 18, 2025 authorizing the Issue and other related matters.
6. Copies of Standalone Audited Financial Statements of our Company for the period ended September 30, 2024, August 04, 2024, March 31, 2024, 2023 & 2022.
7. Peer Review Auditors Report dated January 21, 2025 on Restated Standalone Financial Statements of our Company for the for the period ended September 30, 2024, August 04, 2024, March 31, 2024, 2023 & 2022.
8. Copy of the Statement of Tax Benefits dated January 21, 2025 from the Peer Review Auditor.
9. Industry Report on cotton Yarn dated January, 2025 issued by Dun & Bradstreet.
10. Search Report issued by Parikh Dave & Associates, Practicing Company Secretary dated February 07, 2025.
11. Certification from Parikh Dave & Associates dated January 31, 2025 regarding eligibility of Independent Director under Section 149(6) of Companies Act, 2013.
12. Certificate from M/s. Mistry & Shah LLP, Chartered Accountants, dated February 08, 2025 regarding the Working Capital Requirement of the company.
13. Certificate from Mistry & Shah LLP, Chartered Accountants, dated February 07, 2025 regarding Basis of Issue Price and Key Performance Indicators.
14. Certificate from Mistry & Shah LLP, Chartered Accountants, dated January 21, 2025 regarding the source and deployment of funds towards the objects of the Issue.
15. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
16. Board Resolution dated February 25, 2025 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
17. Due Diligence Certificate from Book Running Lead Manager dated February 25, 2025 filed with NSE and [●] filed with SEBI.
18. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE EMERGE

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Red Herring Prospectus. No statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

SD/-

Mr. Nirav Bharatbhai Patel
Chairman cum Managing Director
DIN: 02055489

SD/-

Mr. Vishnubhai Prahladdas Patel
Non Executive Director
DIN: 00375791

SD/-

Ms. Neha Agarwal
Independent Director
DIN: 10121219

SD/-

Mr. Jasmin Vishnubhai Patel
Whole Time Director
DIN: 06923150

SD/-

Mr. Bharatbhai Prahaladbhai Patel
Non-Executive Director
DIN: 00377202

SD/-

Mr. Sandeep Kumar Likhmania
Independent Director
DIN: 03592714

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -

SD/-

Mr. Irfan Abdulbhai Mansuri
Chief Financial Officer

SD/-

Ms. Komal Vijaybhai Chauhan
Company Secretary and Compliance Officer

Date – February 25, 2025
Place – Mehsana, Gujarat